APPENDIX 4E
EVOLUTION MINING LIMITED ACN 084 669 036
AND CONTROLLED ENTITIES
ANNUAL FINANCIAL REPORT
For the year ended 30 June 2019

Results for Announcement to the Market

Key Information

	30 June 2019 $'000	30 June 2018 $'000	Up / (down) $'000	% Increase/ (decrease)
Revenues from contracts with customers	1,509,824	1,540,433	(30,609)	**(2)%**
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	730,262	795,083	(64,821)	**(8)%**
Statutory profit before income tax	314,826	338,934	(24,108)	**(7)%**
Profit from ordinary activities after income tax attributable to the members	218,188	263,388	(45,200)	**(17)%**

Dividend Information

	Amount per share Cents	Franked amount per share Cents
Final dividend for the year ended 30 June 2019 Dividend to be paid on 27 September 2019	6.0	6.0
Interim dividend for the year ended 30 June 2019 Dividend fully paid on 30 March 2019	3.5	3.5
Final dividend for the year ended 30 June 2018 Dividend fully paid on 29 September 2018	4.0	4.0

Net Tangible Assets

	30 June 2019 $	30 June 2018 $
Net tangible assets per share	1.45	1.35

Earnings Per Share

	30 June 2019 Cents	30 June 2018 Cents
Basic earnings per share	**12.86**	15.57
Diluted earnings per share	**12.78**	15.51

Additional Appendix 4E disclosure requirements can be found in the notes to these financial statements and the Directors' Report attached thereto. This report is based on the consolidated financial statements which have been audited by PricewaterhouseCoopers.

Directors' Report

The Directors present their report together with the consolidated financial report of the Evolution Mining Limited Group, consisting of Evolution Mining Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The Directors of Evolution Mining Limited during the year ended 30 June 2019 and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Thomas (Tommy) McKeith (i)	Lead Independent Director
James (Jim) Askew	Non-Executive Director
Graham Freestone	Non-Executive Director
Andrea Hall	Non-Executive Director
Colin (Cobb) Johnstone (i)	Non-Executive Director
Naguib Sawiris (ii)	Non-Executive Director
Sebastien de Montessus (ii)	Non-Executive Director
Andrew Wray (iii)	Alternate Non-Executive Director for Naguib Sawiris and Sebastien de Montessus

(i) Appointed as Lead Independent Director replacing Colin (Cobb) Johnstone effective 1 December 2018.
(ii) Resigned as Non-Executive Director effective 1 August 2018.
(iii) Resigned as Alternate Non-Executive Director effective 1 August 2018.

Company Secretary

The name of the Company Secretary during the full year ended 30 June 2019 and up to the date of this report is as follows:

Evan Elstein

Principal activities

The principal activities of the Group during the year were exploration, mine development, mine operations and the sale of gold and gold/copper concentrate in Australia. There were no significant changes to these activities during the year.

Key highlights for the year

Key highlights for the year ended 30 June 2019 include:

- Driving a safety culture where our people do the right thing because they want to, not because they have to underpins our safety programs. Disappointingly our total recordable injury frequency (TRIF) for the year was 8.3 (30 June 2018: 5.5). Investigations showed an increase in minor injuries with a need to increase focus on promoting mindfulness and pre-task risk identification. Safety programs included HSE Systems and Critical Control verification audits. The focus continues to be on improving Evolution's safety culture and embedding adequate management of critical controls associated with high risks across all sites.
- The Group published it's inaugural Sustainability Report during the year.
- The Group recorded a statutory net profit after tax of $218.2 million for the year, a decrease of 17% on the prior year. Underlying profit after tax decreased by 13% to $218.2 million (30 June 2018: $250.8 million).
- The Group's continuing focus on productivity improvements and cost efficiencies delivered another year of strong results including:
    - Total gold production of 753,001oz which was above the midpoint of guidance for the year of 720,000oz - 770,000oz.
    - Operating mine cash flow of $771.5 million.
    - Net mine cash flow of $497.8 million, with all operations delivering positive cash flow generation after meeting their operating and capital needs.
    - Evolution continued investing for extensions of mine life and production growth, including the approval of major development projects and exploration drilling at Cowal, and development of an underground mine and plant upgrade at Mt Carlton.
    - Evolution moved into a net cash position during the year and as at 30 June 2019 the net cash position was $35.2 million (30 June 2018: net bank debt of $71.8 million).
    - A total of $127.0 million (30 June 2018: $109.9 million) in fully franked dividends was paid during the year. A final dividend of 6 cents per share fully franked ($101.8 million) was declared and will be paid on 27 September 2019.
    - During the year, the Group made $95.0 million of repayments on the Senior Secured Term Loan ("Facility D"). The $350.0 million Senior Secured Revolving Loan ("Facility A") remains undrawn at 30 June 2019.

Key highlights for the year (continued)

- During the year, the Group hedged a further 300,000oz of production at an average price of A$1,871/oz for quarterly deliveries between July 2020 and June 2023. The additional hedging provides support to the balance sheet during a period of major capital investment while leaving the majority of production unhedged. The proportion of expected production hedged is 13-15% per annum through until 30 June 2023.
- In August 2018, La Mancha Group International B.V. (La Mancha) Group sold a portion of their shareholding in the Group, taking their total holding down to 9.6%. In line with the terms of the Share Sale Agreement signed between the two Companies, La Mancha's nominee Directors Mr Naguib Sawiris, Mr Sebastian de Montessus and their Alternate Director Mr Andrew Wray resigned from the Board of Directors effective 1 August 2018.
- In September 2018, the Group entered into an earn-in joint venture agreement with Andromeda Metals Limited over the Drummond exploration project. Drummond is an early-stage gold exploration project located in northern Queensland covering roughly 520km². The project is approximately 50km southwest of the Group's Mt Carlton operation. The key terms of the agreement are as follows:
    - The Group can earn a 51% interest in the project by making a cash payment of $300,000 to Andromeda and spending $2 million on exploration over a two year period.
    - The Group can earn a further 29% (for a total of over 80%) by making an additional cash payment of $200,000 and spending $4 million on exploration over two years.
    - The Group manages and operates the joint venture while it is sole contributing and thereafter while ever it holds a majority equity.
- In October 2018, the Board approved the Mt Carlton underground development and plant upgrade modifications at an estimated investment of $60.0 million to be incurred from FY19 to FY22. First ore from the underground is planned for FY21.
- In October 2018, the Cowal operation was granted regulatory approval from the NSW Department of Planning and Environment to increase the plant processing rate by 31% from 7.5 million tonnes per annum (Mtpa) to 9.8Mtpa. Other key features of the modification application include the implementation of a secondary crushing circuit at the processing plant and the development of an Integrated Waste Landform (IWL) to facilitate storage of tailings over the life of mine. Subsequent to this regulatory approval, the Board approved the first stage upgrade to the Cowal processing plant in November 2018. The first stage of the project will take the processing capacity to at least 8.7Mtpa at an estimated capital investment of $25.0 to $30.0 million.
- In October 2018, regulatory approval to commence the development of the Galway-Regal-E46 (GRE46) exploration decline at Cowal was received. The decline will allow the Group to conduct further resource definition and discovery drilling at GRE46 as well as further drilling to delineate the Dalwhinnie Lode. Drilling success has been reported at both GRE46 and Dalwhinnie as at 30 June 2019.
- During December 2018, the Group agreed to subscribe for a further 3.2 million shares in Riversgold Ltd, taking the Company's shareholding to 15.7 million shares and a total of 18.7% of the outstanding shares in Riversgold Ltd.
- In February 2019, the Group acquired 11.05 million shares, representing a 19.9% shareholding, in Tribune Resources Limited for a cash consideration of $41.3 million. Tribune's major asset is it's interest in the East Kundana mining operation which is a joint venture between Northern Star Resources Limited (51% and operator), Rand Mining Limited (12.25%) and Tribune (36.75%). The East Kundana Joint Venture (EKJV) tenements are adjacent to the Group's 1.7 million tonnes per annum Mungari processing plant, which is located approximately 20km west of Kalgoorlie in Western Australia.
- In April 2019, the Group entered into an earn-in joint venture agreement with Enterprise Metals Limited (Enterprise) over the Murchison exploration project. Murchison is a large, early-stage gold exploration project covering ~750km2 in the Murchison region of central Western Australia. The Group can earn an 80% interest in the Murchison project by:
    - Spending $6.0 million on exploration over a four-year period.
    - Making an initial cash payment to Enterprise of $150,000 on signing of the agreement.
    - Making an additional cash payment to Enterprise of $150,000 should the agreement remain in place after two years.

  The Group will operate the project during the earn-in period.

Operating and Financial Review

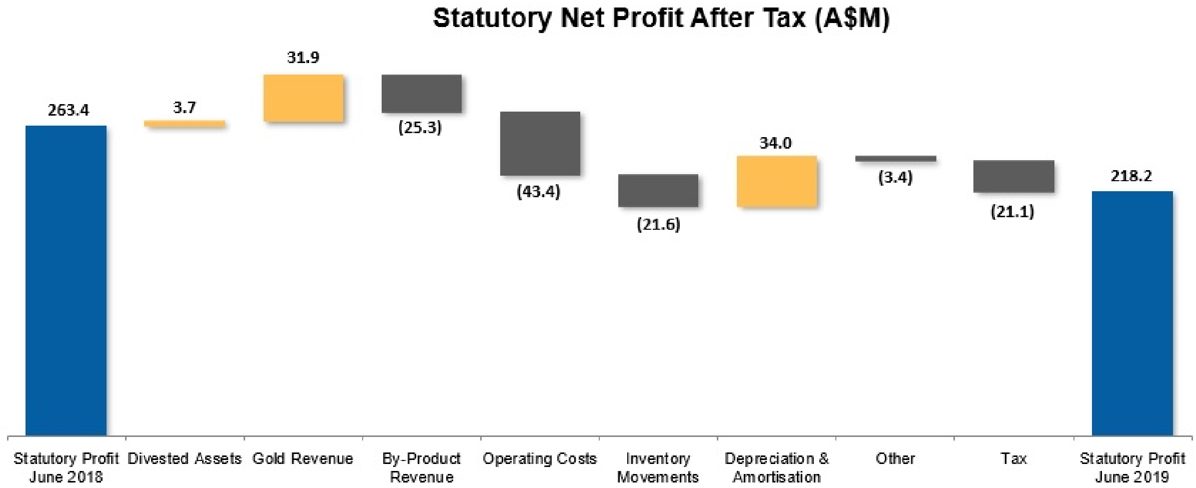
Evolution is a leading, low cost Australian gold mining company. As at 30 June 2019, the Group consisted of five wholly-owned operating gold mines: Cowal in New South Wales; Cracow, Mt Carlton and Mt Rawdon in Queensland; and Mungari in Western Australia, and an economic interest in the Ernest Henry Copper-Gold Operation (100% of gold and 30% of copper and silver) in Queensland.

The Group's strategy is to deliver shareholder value through efficient gold production, growing gold reserves and developing acquiring or divesting assets to improve the quality of the portfolio. Since its formation in November 2011, the Group has built a strong reputation for operational predictability and stability through consistently delivering to guidance. A portfolio approach to production provides Evolution with a Group-wide level of operational stability and predictability without reliance on one single asset. The Group's high-performance team culture and clearly defined business plans and goals further contribute to delivering reliable and consistent results.

To build a sustainable business, the Group maintains a strong commitment to growth through exploration and a disciplined approach to business development through opportunistic, logical, value-accretive acquisitions and divestments.

Profit Overview

The Group achieved a statutory net profit after tax of $218.2 million for the year ended 30 June 2019 (30 June 2018: $263.4 million). The following graph shows the movements in the Group's statutory profit after tax for the year ended 30 June 2018 to the year ended 30 June 2019.



Gold revenue was $31.9 million higher driven by higher gold prices this was partially offset by $25.3 million lower by-product revenue as a result of lower copper and silver prices and volumes. FY18 included a loss of $3.7 million at Edna May which was sold in October 2017.

Mine operating costs excluding Edna May and inventory movements were higher than FY18 by $43.4 million. Lower capitalisation of mine costs in the financial year mainly for the completion of the White Foil cutback at Mungari during FY18 contributed to $27.8 million of higher mine operating costs being expensed in FY19 with the remainder of the increase driven by a mix of input prices and activities. Higher power prices contributed an additional $7.5 million to power costs, mainly at Cowal, due to the full year impact in FY19 of higher priced contracts that were effective from 1 January 2018. Oil price increases resulted in $6.6 million of higher diesel costs while labour costs moved approximately 3% higher than FY18.

Inventory movements resulted in an additional charge to costs in FY19 of $21.6 million driven by utilisation of ore stockpiles at Mt Rawdon resulting in an $5.3 million FY19 expense compared to a credit to costs of $23.8 million in FY18 where ore stockpiles increased. Inventory movements at other sites partially offset the impact at Mt Rawdon with a net credit to operating costs in FY19 of $7.5 million.

Lower depreciation and amortisation expense reflects the higher reserves in the 2018 Mineral Resource and Ore Statement issued in April 2019 over which assets are to be depreciated and fair value at Cowal and Mungari are to be amortised.

Tax expense for the current year is higher with the prior year reduced by the recognition of tax losses and temporary differences including $22.7 million as a consequence of an independent valuation of the Cowal open pit and Mungari open pit and underground that was completed during the prior year.

The Group achieved an underlying net profit after tax of $218.2 million for the year ended 30 June 2019 (30 June 2018: $250.8 million). The table below shows a reconciliation of statutory profit/(loss) before tax to the underlying profit after tax.

Operating and Financial Review (continued)

Profit Overview (continued)

	2019 $'000	2018 $'000
Statutory profit before income tax	314,826	338,934
Fair value gain	-	(3,142)
Transaction and integration costs	-	(866)
Underlying profit before income tax	314,826	334,926
Income tax expense	(96,638)	(75,546)
Tax benefit on sale of subsidiary	-	4,165
Tax effect of adjustments	-	1,201
Recognition of previously unrecognised tax losses	-	(4,544)
Recognition of previously unrecognised temporary differences	-	(9,440)
Underlying profit after income tax	**218,188**	**250,762**

Cash Flow

Operating mine cash flow decreased by 5% totalling $771.5 million (30 June 2018: $811.8 million). Total capital expenditure totalled $273.6 million which included $93.2 million of sustaining capital expenditure and $180.4 million of major capital expenditure.

Key Results

The consolidated operating and financial results for the current and prior year are summarised below. All $ figures refer to Australian thousand dollars (A$'000) unless otherwise stated.

Key Business Metrics	30 June 2019	30 June 2018	% Change (ii)
Total underground ore mined (kt)	7,680	7,817	(2)%
Total underground lateral development (m)	14,538	13,640	7%
Total open pit ore mined (kt)	11,703	14,453	(19)%
Total open pit waste mined (kt)	37,501	40,984	(8)%
Processed tonnes (kt)	21,050	21,425	(2)%
Gold grade processed (g/t)	1.32	1.37	(4)%
Gold production (oz)	**753,001**	**801,187**	**(6)%**
Silver production (oz)	**709,497**	**989,253**	**(28)%**
Copper production (t)	**21,846**	**23,268**	**(6)%**
Unit cash operating cost (A$/oz) (i)	627	512	(22)%
All in sustaining cost (A$/oz) (i)	924	797	(16)%
All in cost (A$/oz) (i)	1,215	1,033	(18)%
Gold price achieved (A$/oz)	1,760	1,645	7%
Silver price achieved (A$/oz)	21	22	(5)%
Copper price achieved (A$/t)	8,587	8,923	(4)%
Total Revenue	1,509,824	1,540,433	(2)%
Cost of sales (excluding D&A and fair value adjustments (i)	(735,971)	(705,553)	(4)%
Corporate, admin, exploration and other costs (excluding D&A)	(43,591)	(39,797)	(10)%
EBIT (i)	330,304	360,380	(8)%
EBITDA (i)	730,262	795,083	(8)%
Statutory profit/(loss) after income tax	**218,188**	**263,388**	**(17)%**
Underlying profit after income tax	**218,188**	**250,762**	**(13)%**
Operating mine cash flow	771,461	811,766	(5)%
Capital expenditure	(273,636)	(271,870)	(1)%
Net mine cash flow	497,825	539,896	(8)%

(i) EBITDA, EBIT, Unit cash operating cost, All-in Sustaining Cost (AISC), and All-in Cost (AIC) are non-IFRS financial information and are not subject to audit.
(ii) Percentage change represents positive/(negative) impact on the business.
(iii) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Operating and Financial Review (continued)

Mining Operations

Cowal

Cowal had another successful year, achieving above guidance gold production of 251,500oz (guidance of 240,000 - 250,000oz) at an average unit cash operating cost of $765/oz and AISC of $995/oz. Cash costs and AISC were below the lower end and within guidance of $765 - $840/oz and $975 - $1,075/oz respectively. Capital expenditure for the year was $144.7 million, of which $100.7 million relates to major projects consisting mostly of the Stage H cutback.

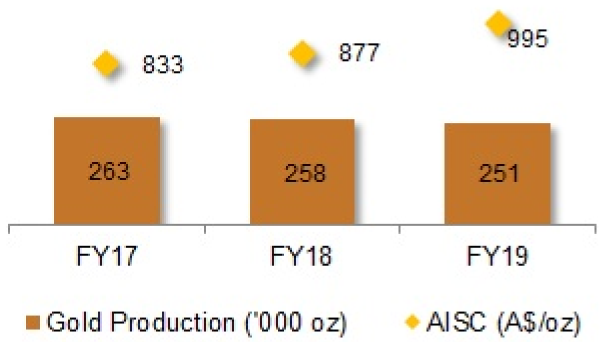
Cowal activities in the year focussed on the Stage H cutback, commissioning of the Float Tails Leach (FTL) circuit and construction pre-works of the Integrated Waste Landform tailings facility.

During October 2018, the Cowal operation was granted regulatory approval from the NSW Department of Planning and Environment to increase the plant processing rate by 31% from 7.5 million tonnes per annum (Mtpa) to 9.8Mtpa per the Modification 14 development application.

Regulatory approval to commence the development of the Galway-Regal-E46 (GRE46) exploration decline at Cowal was also approved. The decline will allow Evolution to conduct further resource definition and discovery drilling at GRE46 as well as further drilling to delineate the Dalwhinnie Lode. Excellent drilling results were reported at both GRE46 and Dalwhinnie as of 30 June 2019 which continues to highlight the high-grade nature of this mineralised system.

Exploration work delivered material resource and ore reserves growth, reflected in the Mineral Resources and Ore Reserves update which incorporated full year drilling results as at 31 December 2018. Cowal was a major contributor with a 134% increase to Mineral Resources to 1.41 million ounces and a 27% increase to Ore Reserves to 3.88 million ounces.

The underground exploration decline had reached 550 metres of lateral development as of 30 June 2019 and is progressing ahead of schedule. The underground drilling program commenced during the June 2019 quarter and will continue for the next 12-18 months



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	232,258	225,812	6,446	3%
Sustaining capital ($'000)	(44,000)	(39,697)	(4,303)	11%
Major capital ($'000)	(100,734)	(84,923)	(15,811)	19%
Total capital ($'000)	(144,734)	(124,620)	(20,114)	16%
Net mine cash flow ($'000)	87,524	101,192	(13,668)	(14)%
Gold production (oz)	**251,500**	**257,951**	**(6,451)**	**(3)%**
All-in Sustaining Cost ($/oz)	995	877	(118)	(13)%
All-in Cost ($/oz)	1,500	1,223	(277)	(23)%

Operating and Financial Review (continued)

Mining Operations (continued)

Mungari

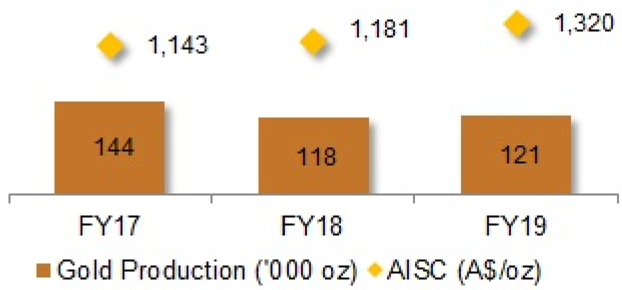
Mungari produced a total of 120,535oz at an average unit cash operating cost of $1,078/oz and an AISC of $1,320/oz. Gold production was below the bottom end of the 125,000 - 135,000oz guidance range. Cash costs and AISC were above guidance of $875 - $925/oz and $1,050 - $1,100/oz respectively. Capital expenditure in the year was $28.1 million of which $15.0 million related to mine development at the Frog's Leg underground mine.

The Frog's Leg underground mine produced 391kt of ore at an average grade of 4.54g/t. Total development for the year was 1,928m which increased from the prior year (30 June 2018: 1,749m). Total material moved at the White Foil open pit was 1,640kt at an average grade of 1.61 g/t. The White Foil open pit Stage 3 cutback progressed on plan and continued into an operating phase with reduced volumes of capital waste being recognised.

The process plant performed well over the course of the year, with 1,660kt of ore processed at an average grade of 2.40g/t. Strong gold recoveries of 93.8% were achieved despite a slight decrease from the prior year (30 June 2018: 94.2%).

In July 2018, the Group signed an agreement with Norton Gold Fields Limited to restructure ownership of the Castle Hill gold deposit. The Group now owns 100% of this project with Ore Reserves of 236,000 ounces which will provide a material extension to the operating life at Mungari.

Drilling for FY20 will be focussed on Ora Banda, phase 3 drilling for the Banjo (Frog's Leg) deeper targets and the Boomer prospect which is 400m west of Frog's Leg.



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	63,864	70,240	(6,376)	(9)%
Sustaining capital ($'000)	(11,960)	(9,935)	(2,025)	20%
Major capital ($'000)	(16,153)	(36,611)	20,458	(56)%
Total capital ($'000)	(28,113)	(46,546)	18,433	(40)%
Net mine cash flow ($'000)	35,751	23,694	12,057	51%
Gold production (oz)	**120,535**	**118,498**	**2,037**	**2%**
All-in Sustaining Cost ($/oz)	1,320	1,181	(139)	(12)%
All-in Cost ($/oz)	1,536	1,604	68	4%

Operating and Financial Review (continued)

Mining Operations (continued)

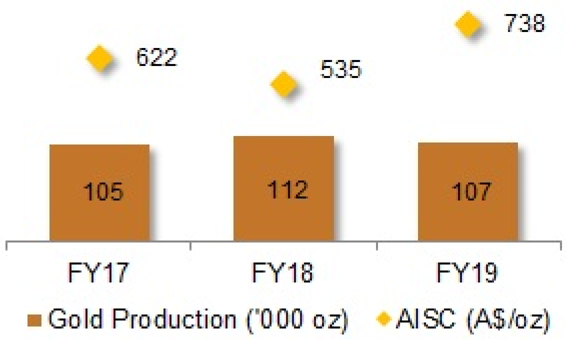
Mt Carlton

Mt Carlton produced a total of 106,646oz which was above the top end of the 95,000 - 105,000oz guidance range. Unit cash operating costs of $492/oz was within the guidance of $470 - $520/oz and AISC of $738/oz was slightly above the top end of the $670 - $720/oz guidance.

In early October 2018 the Board approved development of the Mt Carlton underground mine which will allow production from the high-grade link zone to be brought forward. Establishment work has commenced and first ore from the underground is planned to be delivered in FY21.

Mining activities focused on progressing both the Stage 3 and Stage 4 cutbacks. Work on the Stage 3 underground project focused on mobilisation of the mining contractor and establishment of services (electricity, water and compressed air) to the portal location in anticipation of commencing underground development early in the September 2019 quarter.

Capital expenditure for the year of $35.6 million is largely attributed to Stage 3b capital waste of $20.0 million combined with the new underground mine construction project.



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	120,190	139,598	(19,408)	(14)%
Sustaining capital ($'000)	(8,039)	(9,866)	1,827	(19)%
Major capital ($'000)	(27,537)	(21,009)	(6,528)	31%
Total capital ($'000)	(35,576)	(30,875)	(4,701)	15%
Net mine cash flow ($'000)	84,614	108,723	(24,109)	(22)%
Gold production (oz)	**106,646**	**112,479**	**(5,833)**	**(5)%**
All-in Sustaining Cost ($/oz)	738	535	(203)	(38)%
All-in Cost ($/oz)	1,015	735	(280)	(38)%

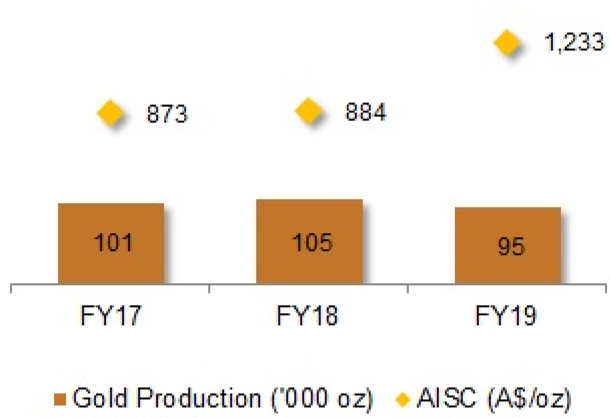
Operating and Financial Review (continued)

Mining Operations (continued)

Mt Rawdon

Mt Rawdon achieved total gold production of 94,647oz at a unit cash operating cost of $1,073/oz and an AISC of $1,233/oz. Production was slightly lower than guidance of 95,000 - 105,000oz, while cash costs and AISC exceeded the guidance of $815 - $865/oz and $1000 - $1050/oz respectively. The poor FY19 production and costs were predominantly driven by reduced access to higher grade ore in the open pit at the northern end of the pit. This was a timing and sequencing matter. Capital expenditure for the year was $28.4 million with $19.7 million attributable to capital waste mined in the Stage 4 cutback.

Mining activities were focussed on waste material in Stage 4 and installing additional ground support in the western area of the pit.



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	60,006	69,198	(9,192)	(13)%
Sustaining capital ($'000)	(4,446)	(8,574)	4,128	(48)%
Major capital ($'000)	(23,921)	(10,924)	(12,997)	119%
Total capital ($'000)	(28,367)	(19,498)	(8,869)	45%
Net mine cash flow ($'000)	31,639	49,700	(18,061)	(36)%
Gold production (oz)	**94,647**	**105,053**	**(10,406)**	**(10)%**
All-in Sustaining Cost ($/oz)	1,233	884	(349)	(39)%
All-in Cost ($/oz)	1,490	987	(503)	(51)%

Operating and Financial Review (continued)

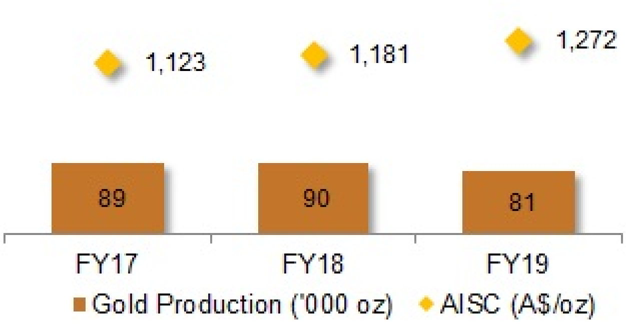
Mining Operations (continued)

Cracow

Cracow produced 80,923oz at a unit cash operating cost of $900/oz and AISC of $1,272/oz within the guidance of 80,000 - 85,000oz, at $850 - $900/oz and $1,250 - $1,300/oz respectively.

A total of 560kt of ore was mined at an average grade of 4.88g/t during the year with primary ore sources being the Kilkenny, Coronation and Imperial ore bodies.

Capital expenditure for the year was $27.2 million comprising mainly of $12 million attributable towards further development of the underground mine.



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	63,326	70,771	(7,445)	(11)%
Sustaining capital ($'000)	(15,158)	(19,601)	4,443	(23)%
Major capital ($'000)	(12,052)	(14,451)	2,399	(17)%
Total capital ($'000)	(27,210)	(34,052)	6,842	(20)%
Net mine cash flow ($'000)	36,116	36,719	(603)	(2)%
Gold production (oz)	**80,983**	**90,357**	**(9,374)**	**(10)%**
All-in Sustaining Cost ($/oz)	1,272	1,181	(91)	(8)%
All-in Cost ($/oz)	1,355	1,269	(86)	(7)%

Operating and Financial Review (continued)

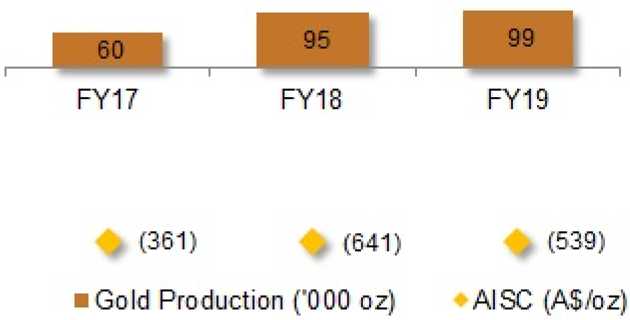
Mining Operations (continued)

Ernest Henry

Ernest Henry gold production of 98,689oz was well above guidance of 85,000 - 90,000oz. A negative AISC of $(539)/oz was within guidance of $(575) - (525)/oz, after taking into account copper and silver by-product credits of (1,843)/oz. Negative cash costs of $(783)/oz were above the original guidance of $(875) - (825)/oz.

Ore mined was 6,728kt at an average grade of 0.58g/t gold and 1.10% copper. Underground development was 7,203m. Ore processed was 6,829kt at an average grade of 0.58g/t gold and 1.10% copper. Gold recovery and copper recovery of 80.7% and 96.7% respectively were achieved.

During the December 2018 quarter the New Reserves Joint Venture was formed which relates to resources outside the current mine plan to the 1200RL. Planned extensional drilling below the 1200RL is scheduled for the latter part of the 2019 calendar year with a view to extend mine life.



Key Business Metrics	30 June 2019	30 June 2018	Change	% Change
Operating cash flow ($'000)	231,821	230,860	961	%
Sustaining capital ($'000)	(9,640)	(11,618)	1,978	(17)%
Major capital ($'000)	-	-	-	-%
Total capital ($'000)	(9,640)	(11,618)	1,978	(17)%
Net mine cash flow ($'000)	222,181	219,242	2,939	1%
Gold production (oz)	**98,689**	**95,209**	**3,480**	**4%**
Copper production (t)	**21,008**	**21,011**	**(3)**	**%**
All-in Sustaining Cost ($/oz)	(539)	(641)	102	(16)%
All-in Cost ($/oz)	(539)	(641)	102	(16)%

(i) Ernest Henry mining and processing statistics are in 100% terms while costs represent Evolution's cost and not solely the cost of Ernest Henry's operation.

Operating and Financial Review (continued)

Financial Performance

Profit or Loss

Revenue for the year ended 30 June 2019 decreased by 2% to $1,509.8 million (30 June 2018: $1,540.4 million). The 7% higher achieved gold price of $1,760/oz was offset by a decrease in produced ounces of 6% to 753,000oz (30 June 2018: 801,187oz) and lower copper and silver revenue which is a result of both volume and price. Revenue is comprised of $1,307.5 million for gold revenue and $202.3 million for copper and silver revenue (30 June 2018: $1,312.6 million of gold revenue and $227.8m of copper and silver revenue). The Edna May operation contributed revenue in 2018 for 3 months contributing $37.2m of revenue prior to its sale on 3 October 2017.

Total gold sold equalled 742,964oz which included deliveries into the hedge book of 150,000oz at an average price of $1,690oz (30 June 2018: 205,915 oz, $1,564/oz). The remaining 592,964oz were sold at spot price achieving an average price of $1,777/oz (30 June 2018: 592,186 oz, $1,673/oz). The Group's hedge book totals 400,000oz as at 30 June 2019 at an average price of $1,837.57/oz with deliveries through to June 2023.

The achieved copper price decreased 4% to $8,587/t resulting in copper revenue reducing in the year by $18.8 million.

Operating costs (excluding depreciation, amortisation and fair value adjustments of $398.5 million) increased to $736.0 million (30 June 2018: $705.5 million).

Balance Sheet

Total assets increased 1% during the year to $3,093.9 million (30 June 2018: $3,056.3 million). Equity investments at fair value through other comprehensive income (FVOCI) have increased $60.6 million following the acquisition of a 19.9% stake in Tribune Resources Limited (Tribune) for a cash consideration of $41.3 million in February 2019, the investment increased in value to $60.5 million at 30 June 2019. The net carrying amount of property, plant and equipment and producing mines decreased $66.4 million due to a depreciation charge of $374.9 million outstripping capital additions of $274.5 million. Exploration increased $60.1 million with capitalised exploration spend of $67.3 million partially offset by exploration expenses of $7.2 million.

Total liabilities for the Group decreased to $687.4 million at 30 June 2019, a decrease of $80.5 million, or 10% on the prior year. The decrease is in part attributable to scheduled debt repayments of $95.0 million on the Senior Secured Term Loan. The tax liability at 30 June 2018 was paid during the current financial year. In addition, tax instalments were made during the year in relation to the expected tax payable for the year ended 30 June 2019 reducing the tax liability by $47.3 million.

The Group ended the year with a cash balance of $335.2 million and available credit of $350.0 million in Facility A as part of its Senior Secured Syndicated Revolving and Term Facility. Net cash at balance date was $35.2 million, with cash of $335.2 million and $300.0 million of drawn debt on the Senior Secured Term Loan.

Cash Flow

Total cash inflows for the year amounted to $11.9 million (30 June 2018: $285.8 million).

	30 June 2019 $'000	30 June 2018 $'000	Change $'000	% Change
Cash flows from operating activities	616,236	714,166	(97,930)	(14)%
Cash flows from investing activities	(382,187)	(270,284)	(111,903)	41%
Cash flows from financing activities	(222,111)	(158,087)	(64,024)	40%
Net movement in cash	11,938	285,795	(273,857)	(96)%
Cash at the beginning of the year	323,226	37,385	285,841	765%
Effects of exchange rate changes on cash	-	46	(46)	(100)%
Cash at the end of the year	**335,164**	**323,226**	**11,938**	**4%**

Net cash outflows from investment activities were $382.2 million, a $111.9 million increase (30 June 2018: $270.3 million) including the investment in Tribune of $41.3 million and the acquisition of the Castle Hill mining rights for $15.0 million. The prior year included a receipt of $40.0 million on the sale of Edna May. Capital investments for the year included property, plant and equipment of $105.4 million and mine development and exploration of $218.6 million.

Net cash outflows from financing activities were $222.1 million, an increase of $64.0 million (30 June 2018: $158.1 million). Financing cash flows for the year included the repayment of $95.0 million on the Senior Secured Term Loan and dividend payments of $127.0 million.

Operating and Financial Review (continued)

Financial Performance (continued)

Taxation

During the year, the Group made income tax payments of $91.2 million related to the 30 June 2018 and 30 June 2019 financial years and recognised an income tax expense of $96.7 million (30 June 2018: $75.5 million). The 2018 income tax expense was reduced by $26.7 million due to the recognition of tax losses and temporary differences as an asset. This included $22.7 million as a consequence of an independent valuation of the Cowal open pit and Mungari open pit and underground that was completed during that financial year.

The tax payments made in respect of the 30 June 2018 financial year combined with tax instalments paid over the course of the 30 June 2019 financial year have enabled the declaration of fully franked interim and final dividends.

Capital Expenditure

Capital expenditure for the year totalled $273.6 million (30 June 2018: $271.9 million). This consisted of sustaining capital, including near mine exploration and resource definition of $93.2 million (30 June 2018: $100.9 million) and mine development of $180.4 million (30 June 2018: $171.0 million). The main capital projects included the Cowal Stage H development, Float Tails Leach project and E46 land acquisition costs; underground mine development at Cracow, Mt Carlton and Mungari; and capital waste stripping at Mt Carlton and Mt Rawdon.

Financing

Total finance costs for the year were $22.6 million (30 June 2018: $24.8 million), a decrease of 9%. Included in total finance costs are interest expense of $18.2 million (30 June 2018: $20.5 million), amortisation of debt establishment costs of $2.5 million (30 June 2018: $0.7 million) and discount unwinding on mine rehabilitation liabilities of $1.9 million (30 June 2018: $3.6 million).

The Group made scheduled debt repayments of $95.0 million on the Senior Secured Term Loan during the financial year.

The repayment periods and the outstanding balances as at 30 June 2019 on each facility are set out below:

Facility	Term date	Outstanding balance
Senior Secured Revolving Loan - Facility A ($350.0 million)	31 July 2021	$ nil
Performance Bond Facility - Facility C ($175.0 million)	31 July 2021	$136 million
Senior Secured Term Loan - Facility D	15 October 2021	$300 million

Material business risks

The Group prepares its business plans using estimates of production and financial performance based on a range of assumptions and forecasts. There is uncertainty in these assumptions and forecasts, and risk that variation from them could result in actual performance being different to expected outcomes. The uncertainties arise from a range of factors, including the nature of the mining industry and general economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2019 are:

Fluctuations in the gold price and Australian dollar

The Group’s revenues are exposed to fluctuations in the gold, silver and copper prices and the Australian dollar. Volatility in the gold, silver and copper prices and Australian dollar creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained should the Australian dollar price fall.

Declining gold, silver and copper prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or may interrupt operations, which may have a material adverse effect on our results of operations and financial condition.

Mineral Resources and Ore Reserves

The Group’s Mineral Resources and Ore Reserves are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold, silver, copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any part or all of the Group’s Mineral Resources constitute or will be converted into Ore Reserves.

Market price fluctuations of gold, silver and copper as well as increased production and capital costs may render the Group’s Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated reserves may have to be re-estimated based on actual production experience. Any of these factors may require the Group to reduce its Mineral Resources and Ore Reserves, which could have a negative impact on the Group’s financial results.

Operating and Financial Review (continued)

Material business risks (continued)

Replacement of depleted reserves

The Group must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Group's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible.

As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The mineral base of the Group may decline if reserves are mined without adequate replacement and the Group may not be able to sustain production beyond the current mine lives, based on current production rates.

Mining risks and insurance risks

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological conditions, unavailability of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and weather conditions (including flooding and bush fires), most of which are beyond the Group's control. These risks and hazards could result in significant costs or delays that could have a material adverse effect on the Group's financial performance, liquidity and results of operation.

The Group maintains insurance to cover the most common of these risks and hazards. The insurance is maintained in amounts that are considered reasonable depending on the circumstances surrounding each identified risk. However, property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards.

Production and cost estimates

The Group prepares estimates of future production, cash costs and capital costs of production for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Group's future cash flows, profitability, results of operations and financial condition.

The Group's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena such as inclement weather conditions, water availability and floods; and unexpected labour shortages or strikes.

Costs of production may also be affected by a variety of factors including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, cost of commodities, general inflationary pressures and currency exchange rates.

Environmental, health and safety, and permits

The Group's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species. The Group's ability to obtain permits and approvals and to successfully operate may be adversely impacted by real or perceived detrimental events associated with the Group's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Group's operations, including its ability to continue operations.

While the Group has implemented extensive health, safety and community initiatives at its sites to ensure the health and safety of its employees, contractors and members of the community affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

Climate Change

Evolution Mining acknowledges that climate change is occurring and its effects have the potential to impact our business. The highest priority climate related risks include the following: reduced water availability; extreme weather events; changes to legislation and regulation; reputational risk; technological and market changes; and shareholder activism.

The Group is committed to understanding and proactively managing the impact of climate related risks to our business and our environment. This includes integrating financial, physical, regulatory, reputational, market, and climate related risks, as well as energy considerations, into our Life of Mine strategic planning and decision making. The Group works to build the resilience of our assets, our communities and our environment to climate related impacts. To do this, we work in partnership with a broad range of stakeholders including representative bodies of the communities in which we operate, industry, government, investors and non-governmental organisations to share learnings and identify approaches to addressing climate related risks and opportunities.

The Group transparently reports our emissions and energy consumption performance.

Operating and Financial Review (continued)

Material business risks (continued)

Community relations

The Group has an established community relations function, both at a Group level and at each of its operations. The Group function has developed a community engagement framework, including a set of principles, policies and procedures designed to provide a structured and consistent approach to community activities across our sites whilst recognising that, fundamentally, Community Relations is about people connecting with people. The Group recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production and exploration activities.

Risk management

The Group manages the risks listed above, and other day-to-day risks through an established management framework which conforms to Australian and international standards and guidance. The Group’s risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed. These are reviewed by the Risk Committee throughout the year.

The financial reporting and control mechanisms are reviewed during the year by management, the internal audit process, the Audit Committee and the external auditors.

The Group has policies in place to manage risk in the areas of Health and Safety, Environment and Equal Employment Opportunity.

The Leadership Team, the Risk Committee and the Board regularly review the risk portfolio of the business and the effectiveness of the Group’s management of those risks.

Dividends

On 15 August 2019, the Directors approved a change to the dividend policy of whenever possible paying a dividend based on free cash flow generated during a year. The Directors will assess the group cash flow and outlook for the business with the intention to return excess cash to shareholders and targeting a level around 50% of cash flow. The Group's free cash flow is defined as cash flow before debt and dividends. The change was effective immediately and was applied to the final dividend for 2019.

The Board has confirmed that Evolution is in a sound position to meet its commitment under the new policy to pay a final fully franked dividend for the current period of 6 cents per share, totalling $101.8 million. Evolution shares will trade excluding entitlement to the dividend on 26 August 2019, with the record date being 27 August 2019 and payment date of 27 September 2019.

The Dividend Reinvestment Plan ("DRP") remains suspended.

Significant changes in the state of affairs

There were no significant changes in the nature of the activities of the Group during the period, other than those included in the Key Highlights.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this Annual Financial Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Environmental regulation and performance

The Executive Chairman reports to the Board on all significant safety and environmental incidents. The Board also has a Risk and Sustainability Committee which has oversight of the safety, health, environmental and stakeholder performance of the Group and meets at least two times per year. The Directors are not aware of any environmental incidents occurring during the year ended 30 June 2019 which would have a materially adverse impact on the overall business of the Group.

The operations of the Group are subject to environmental regulation under the jurisdiction of the countries in which those operations are conducted namely in Australia. Each mining operation is subject to particular environmental regulation specific to their activities as part of their operating licence or environmental approvals. Each of our sites are required to also manage their environmental obligations in accordance with our corporate environmental policies and standards.

The environmental laws and regulations that cover each of our sites, combined with our policies and standards, address the potential impact of the Group's activities in relation to water and air quality, noise, land disturbance, waste and tailings management, and the potential impact upon flora and fauna.

Environmental regulation and performance (continued)

The Group has a uniform internal reporting system across all sites. All environmental incidents, including breaches of any regulation or law are assessed according to their actual or potential environmental consequence. Given levels of environmental incidents are tracked based on factors such as spill volume, incident location (onsite or offsite) potential or actual environmental impacts and legal obligation. These levels include: I (insignificant), II (minor), III (moderate), IV (major), V (catastrophic).

Across the five Evolution Mining Sites, excluding government reporting for vehicular and non-vehicular native fauna deaths, the Level III reports for the past three years have been:

	2019	2018
Number of Level III incidents	9	8

Incidents were notified to the relevant government authority and the relevant agreed action was taken. There have been no Level IV or V incidents.

Of the nine reports to the regulatory authorities in FY19 only three were classified as having actual Level III consequence with regard for environmental impact and there were no further enforcement action by regulatory authorities in relation to the reports.

Information on Directors

The following information is current as at the date of this report. Please refer to the Remuneration Report section (e) for details of shareholdings, options and rights.

Jacob (Jake) Klein, BCom Hons, ACA, Executive Chairman
Mr Klein was appointed as Executive Chairman in October 2011, following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as the Executive Chairman of Conquest Mining. Prior to that, Mr Klein was President and CEO of Sino Gold Mining Limited, where he managed the development of that company into the largest foreign participant in the Chinese gold industry. Sino Gold was listed on the ASX in 2002 with a market capitalisation of A$100 million and was purchased by Eldorado Gold Corporation in late 2009 for over A$2 billion. It became an ASX/S&P 100 Company, operating two award-winning gold mines and engaging over 2,000 employees and contractors in China. Prior to joining Sino Gold (and its predecessor) in 1995, Mr Klein was employed at Macquarie Bank and PricewaterhouseCoopers. Mr Klein was a Non-Executive Director of the Lynas Corporation Limited from August 2004 to May 2017, a company with operations in Australia and Malaysia and of OceanaGold Corporation from December 2009 to July 2014 a company with operations in the Philippines, USA and New Zealand.

Lawrence (Lawrie) Conway B Bus, CPA, GAICD, Finance Director and Chief Financial Officer
Mr Conway was appointed Finance Director and Chief Financial Officer of Evolution Mining Limited with effect from 1 August 2014 (previously a Non-Executive Director). Mr Conway has more than 30 years' experience in the resources sector across a diverse range of commercial, financial and operational activities. He has held a mix of corporate, operational and commercial roles within Australia, Papua New Guinea and Chile with Newcrest and prior to that with BHP Billiton. He most recently held the position of Executive General Manager — Commercial and West Africa with Newcrest Mining where he was responsible for Newcrest's group Supply and Logistics, Marketing, Information Technology and Laboratory functions as well as Newcrest's business in West Africa. Mr Conway is a Non-Executive Director of Aurelia Metals Ltd (appointed in June 2017).

James (Jim) Askew, BEng (Mining), MEngSc, FAusIMM, MCIMM, MSME (AIME), MAICD, Non-Executive Director
Mr Askew is a mining engineer with more than 40 years broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. Mr Askew has served on the boards of numerous mining and mining services companies, which currently includes Syrah Resources Limited (Chairman since October 2014), a company with operations in Mozambique and in the USA; and Endeavour Mining Corporation, a company with operations in Cote d'Ivoire, Mali and Burkina Faso (Non-Executive Director since July 2017). Mr Askew is a member of the Risk and Sustainability Committee and Member of the Nomination and Remuneration Committee. Within the last three years Mr Askew has been a Non-Executive Director of Nevada Copper Limited; Asian Mineral Resources Ltd; and OceanaGold Corporation.

Graham Freestone, BEc (Hons), Non-Executive Director
Mr Freestone has more than 45 years experience in the petroleum and natural resources industry. He has a broad finance, corporate and commercial background obtained in Australia and internationally through senior finance positions with the Shell Group, Acacia Resources Limited and AngloGold Ashanti Limited. Mr Freestone was the Chief Financial Officer and Company Secretary of Acacia Resources Limited from 1994 until 2001. From 2001 to 2009 he was a Non-Executive director of Lion Selection Limited, and from 2009 to 2011 he was a Non-Executive director of Catalpa Resources Limited, and Chaired their Audit Committees during that period. Mr Freestone was a Non-Executive Director of Kasbah Resources Limited from 2017 to 2019, a company with a tin project in Morocco, and Chaired its Remuneration and Audit Committees. Mr Freestone is a member of the Audit Committee and is a Member of the Nomination and Remuneration Committee.

Information on Directors (continued)

Colin Johnstone, BEng (Mining), Lead Independent Director
Mr Johnstone is a mining engineer with over 30 years experience in the resources sector. He has served as General Manager at some of Australia's largest mines including the Kalgoorlie Super Pit in Western Australia, the Olympic Dam Mine in South Australia and the Northparkes Mine in New South Wales. He has extensive international experience including Canada, China, Africa and South America. Mr Johnstone was Chief Operating Officer at Equinox Minerals Limited, until the acquisition by Barrick Gold Corporation in 2011. Prior to that Mr Johnstone was Chief Operating Officer of Sino Gold Mining Limited, where he oversaw the development and operation of gold mines in China. Mr Johnstone is Chairman of Aurelia Metals Ltd (since November 2016). Mr Johnstone was the Lead Independent Director from 25 November 2015 to 30 November 2018 and remains the Chair of the Risk and Sustainability Committee and a member of the Audit Committee. Mr Johnstone was a former Non-Executive Director of Magnis Resources Ltd; Neometals Ltd (Reed Resources Ltd); and Metallum Ltd.

Thomas (Tommy) McKeith, BSc (Hons), GradDip Eng (Mining), MBA, Non-Executive Director
Mr McKeith is a geologist with 30 years experience in various mine geology, exploration and business development roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Limited, where he was responsible for global greenfields exploration and project development. Mr McKeith was also Chief Executive Officer of Troy Resources Limited and has held Non-Executive Director roles at Sino Gold Limited, Avoca Resources Limited and is currently the Non-Executive Chairman of Prodigy Gold NL and Genesis Minerals Limited. Mr McKeith is the Lead Independent Director effective from 1 December 2018, Chair of the Nomination and Remuneration Committee and Member of the Risk and Sustainability Committee.

Andrea Hall, BCom, FCA, M. App Fin, GAICD, Non-Executive Director
Ms Hall is a Chartered Accountant with more than 30 years experience in the financial services industry in roles involved in internal audit, risk management, corporate and operational governance, external audit, financial management and strategic planning. Prior to retiring from KPMG in 2012, Andrea was a Perth based partner within KPMG’s Risk Consulting Services where she serviced industries including mining, mining services, transport, healthcare, insurance, property and government. Ms Hall is currently a Non-Executive Director and Chair of the Audit and Risk Committee at ASX-listed Pioneer Credit Limited and Automotive Holdings Group Limited. She is also a Non-Executive Director of Insurance Commission of Western Australia and the Fremantle Football Club. Ms Hall is the Chair of the Audit Committee.

Company Secretary

Evan Elstein, BCom GDA, ACA, FGIA, FCIS
Mr Elstein was appointed as the Company Secretary and Vice President for Information Technology in October 2011 following the merger of Conquest Mining Limited and Catalpa Resources Limited. Previously he served as Company Secretary of Conquest Mining. He is a member of Chartered Accountants Australia and New Zealand, the Institute of Chartered Secretaries and Administrators and a fellow of the Governance Institute of Australia. Mr Elstein has over 26 years' experience in senior financial, commercial and technology roles, where his responsibilities have included the roll out of IT projects and services, business improvement initiatives and merger, acquisition and divestment activities. He has held senior positions with IT consulting companies in Australia, and previously served as the Chief Financial Officer and Company Secretary of Hartec Limited. Prior to that, Mr Elstein held senior finance and operations positions at Dimension Data in South Africa.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Board		Meetings of committees					
			Audit		Risk Management		Nomination and Remuneration	
	A	B	A	B	A	B	A	B
Jacob (Jake) Klein	7	7	-	-	-	-	-	-
Lawrence (Lawrie) Conway	7	7	-	-	-	-	-	-
James (Jim) Askew	7	7	-	-	4	4	3	3
Graham Freestone	7	7	4	4	-	-	3	3
Colin (Cobb) Johnstone	6	7	4	4	3	4	-	-
Thomas (Tommy) McKeith (i)	7	7	-	-	4	4	3	3
Andrea Hall (i)	7	7	4	4	-	-	-	-

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during the year

Remuneration Report (Audited)

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2019. This report contains details of the remuneration paid to the Directors and Key Management Personnel ("KMP") and is aligned to the Company's overall remuneration strategy and framework. The Company's remuneration philosophy and strategy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and retain appropriately experienced Directors and employees.

This remuneration report is presented under the following sections:

(a) Remuneration Overview
(b) Remuneration Governance
(c) Remuneration Strategy and Framework
(d) Executive Remuneration Outcomes
(e) Non-Executive Director Remuneration Outcomes
(f) Other Remuneration Information
(g) Summary of Key Terms

(a) Remuneration Overview

(i) Key Management Personnel

The executive remuneration framework covered in this report includes the Executive Directors (Executive Chairman and Chief Financial Officer) and those executives considered to be Key Management Personnel ("KMP") named below:

Name	Position
Jacob (Jake) Klein	Executive Chairman
Lawrence (Lawrie) Conway	Finance Director and Chief Financial Officer
Paul Eagle	Vice President People & Culture
Evan Elstein	Company Secretary & Vice President Information Technology
Bob Fulker	Chief Operating Officer
Glen Masterman	Vice President Discovery & Business Development
Aaron Colleran *	Vice President Business Development & Investor Relations

* Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.

(ii) Key Remuneration Outcomes

Key remuneration outcomes for the 2019 financial year are summarised in the table below:

Remuneration	Description
STIP Outcomes	The average STIP outcome for the KMP was 74.1% of the maximum opportunity based on the assessment of business and personal measures. This reflects the Company's outstanding operating and financial performance, and improvement in the upgrading of the asset portfolio during the year.
LTIP Outcomes	88.2% of the Performance Rights awarded during the 2017 financial year and tested as at 30 June 2019 vested on 16 August 2019. This reflects the Company's continued strong performance during the three years to 30 June 2019.
KMP Remuneration	Five of the KMP received increases to their fixed remuneration during the 2019 financial year.
NED Remuneration	Non-Executive Directors did not receive any increase to their fees during the year.

(iii) What has changed in relation to remuneration during the 2019 financial year

During the 2019 financial year, the Long Term Incentive Plan was extended down to superintendent and senior technical levels in the organisation.

Remuneration Report (Audited) (continued)

(a) *Remuneration Overview (continued)*

(iv) What changes are planned for remuneration in the 2020 financial year

The Nomination and Remuneration committee has undertaken a review of the remuneration structure for the Company. This was in light of a tightening labour market in the industry. The intent of the review was to remain competitive in the market and continuing to align to the Company's target remuneration philosophy to position Total Remuneration at the market 75th percentile and to use the variable elements as the key component of remuneration. The Company remains committed to keeping tighter controls on the fixed component of the cost base. With respect to KMP remuneration, an independent adviser was engaged. As a result of the review, the Board has approved an increase to the long term incentive proportion of the remuneration structure for all participant levels of the LTI Program. For the KMP, in conjunction with this change the Board has agreed with KMP members that their fixed remuneration (TFR) will remain unchanged for the next 3 years from their TFR on 1 July 2019, based on current role scope and form of the Company. Overall, the Board believes this aligns to the Company's philosophy of promoting a high achieving culture where the KMP and the broader workforce are incentivised to deliver sustainable business outcomes while increasing shareholder value. The percentage uplifts for the different levels of the LTI Program, effective from the 1 July 2019, increases the variable component by 9-18%.

The Nomination and Remuneration Committee has also undertaken an independent review of NED fees. As a result of the review, the Board approved an increase in the overall fees paid to NEDs. This is the first change since 2016 when the NED Equity Plan was introduced and first change to the cash component of the NED fees since 2015 and aligns to the stated philosophy of positioning the NED Total Remuneration at P75. The NED fees will change from the current $95,000 cash and $40,000 NED Equity Plan, to $120,000 cash and $65,000 NED Equity Plan from 1 July 2019. There has also been an adjustment in committee and Lead Independent Director Fees to align to the benchmark from the independent review.

(b) Remuneration Governance

The Board of Directors ("the Board") has an established Nomination and Remuneration Committee, consisting solely of Non-Executive Directors, with the delegated responsibility to report on and make recommendations to the Board on the:

- Appropriateness of the remuneration policies and systems, having regard to whether they are:
  - Relevant to the Company's wider objectives and strategies;
  - Legal and defensible;
  - In accordance with the human resource objectives of the Company;
- Performance of the Executive Directors (on an annual basis) and ensure there is a process for determining key performance indicators for the ensuing period; and
- Remuneration of the Executive Directors, Non-Executive Directors and Key Management Personnel, in accordance with approved Board policies and processes.

(c) Remuneration Strategy and Framework

The executive remuneration framework has been designed to align Executive Directors and KMP objectives with shareholder and business objectives by offering a remuneration package based on key performance areas affecting the Company's overall performance. The Board believes the remuneration framework to be strategic, appropriate and effective in its ability to attract and retain KMP and to operate and manage the Company effectively.

The Group's target remuneration philosophies are:

- **Total Fixed Remuneration** - **TFR** (being salary, superannuation, plus regular allowances) positioned at the median (50th percentile) based on the industry benchmark McDonald report (an industry recognised gold and general mining remuneration benchmarking survey covering over 100 organisations within the industry);
- **Total Annual Remuneration** - **TAR** (TFR plus STI) at target at the 75th percentile for on target performance; and
- **Total Remuneration** - **TR** (TAR plus LTI) at the 75th percentile, with flexibility to provide up to the 90th percentile levels for high performers and critical roles.

The overarching objectives and principles of the Group's remuneration strategy are that:

- Total remuneration for each level of the workforce is appropriate and competitive;
- Total remuneration comprises a competitive fixed component and a sizeable "at risk" component based on performance hurdles;
- Short term incentives are appropriate with hurdles that are measurable, transparent and achievable;
- Incentive plans are designed to motivate and incentivise for high performance and delivery on organisational objectives;
- The corporate long term incentives are focussed on shareholder value; and
- The principles and integrity of the remuneration review process deliver fair and equitable outcomes.

Remuneration Report (Audited) (continued)

(c) ***Remuneration Strategy and Framework (continued)***

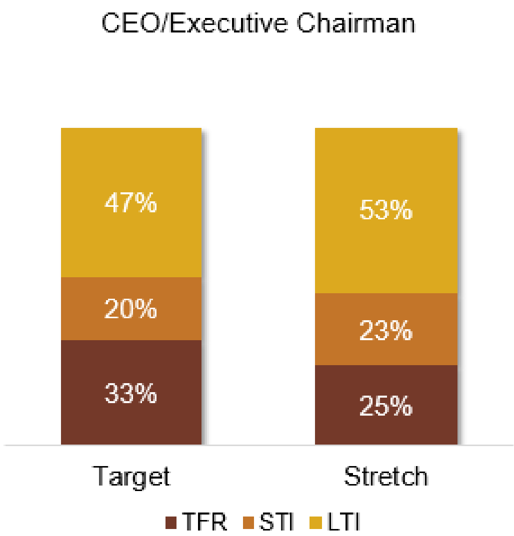
The following table outlines the remuneration components for all KMP for the 2019 financial year:

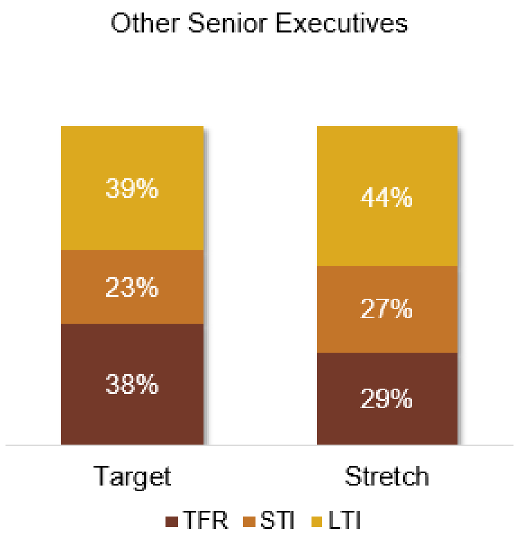
Component	Performance measure	Strategic objective
Total Fixed Remuneration (TFR)	Key results areas for the role are determined based on the individual's position and key business imperatives.	Remuneration is designed to attract, motivate and retain key personnel. Considerations include: • Overall Company strategy and business plan • External market conditions • Key employee value drivers • Individual employee performance • Industry benchmark data
Short Term Incentive (STI)	Key Performance indicators are set with a mix of individual and corporate elements. The relative weighting of which is dependent on the individual employee job banding and position. For the Executive Chairman, the weighting is 70% corporate and 30% individual and for the remainder of the KMP, 60% corporate and 40% individual. For the corporate component for FY19, the measures focused on safety, cash contribution, costs and strategic imperatives focused on improving our overall asset portfolio aligned to the business strategy and improving operational effectiveness via the delivery of priority capital projects.	The objective is to motivate employees to achieve key annual targets focused on safety, operations, cash contribution, and effective cost management, improving the overall quality of the asset portfolio and driving a high achievement team culture.
Long Term Incentive (LTI)	Performance measures agreed with the Board have a 3 year time horizon and are focused on enhancing shareholder value.	The primary objective to deliver industry leading shareholder returns.

Remuneration Report (Audited) (continued)

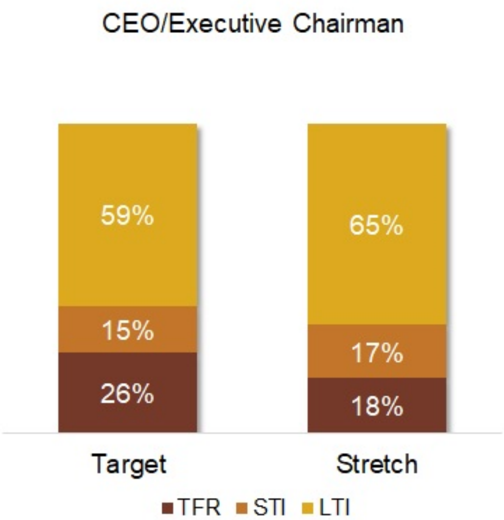
(c) *Remuneration Strategy and Framework (continued)*

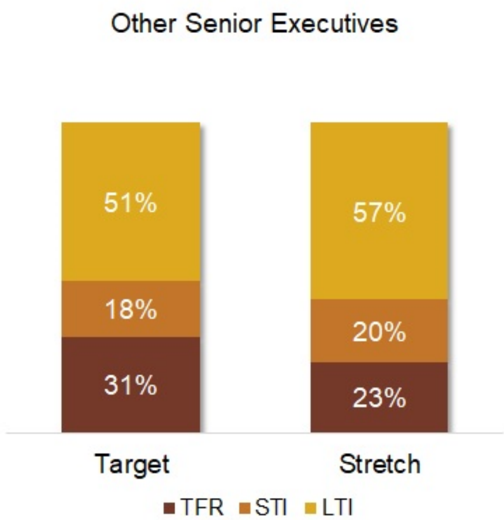
The target achievement remuneration ratio mix for Executive Directors and KMP for the 2019 financial year and prior financial year is as follows:





The target achievement remuneration ratio mix for Executive Directors and KMP for the 2020 financial year will be as follows:





(d) Executive Remuneration Outcomes

(i) Financial Performance

The Group has demonstrated strong performance over the past five years. The following table breaks down the key performance indicators for the Group over this time frame:

	2019	2018	2017	2016	2015
Statutory profit/(loss) for the year ($'000)	218,188	263,388	217,607	(24,349)	100,115
Underlying profit for the year after income tax ($'000) *	218,188	250,762	206,588	134,496	106,050
EBITDA ($'000)	730,262	795,083	713,855	607,551	272,656
Basic earnings per share (cents)	12.86	15.57	13.28	(1.75)	13.71
Dividends declared (cents per share)	9.5	7.5	5.0	3.0	2.0
Share price ($) at 30 June closing	4.36	3.51	2.41	2.33	1.15

* Refer to the Profit Overview section in the Operating and Financial Review for a reconciliation of the underlying profit for the year after income tax.

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(ii) STIP

Component	Performance measure
Participation	The Overall Group STIP applies to site based employees at the level of Manager and above and all Group office employees.
Composition	The Group STIP is a cash bonus, up to a maximum percentage of TFR, based on the employee job band.
Performance conditions	It is assessed and paid annually conditional upon the achievement of key company objectives and individual KPIs. For the 2019 financial year, the company objectives were focused on the areas of safety, group cash contribution, production, costs and strategic imperatives.
Award parameters	The Group STIP is currently set at between 10% and 60% of TFR for Target achievement, with a maximum of 20%-90% of TFR for Stretch achievement, depending on the employee job band. Details of the Group STIP paid to the Directors and KMP are shown in the Remuneration Table in section d(iv). The Group's performance against the STIP Scorecard for FY19 is as follows:

STIP Scorecard		Target (100%)	STIP Weighting	Result	Award
HSE	TRI Frequency (TRIF)	4.95	15%	8.3	0%
	Environmental Critical Controls Compliance - top 3 Hazards (%)	100%	15%	125%	18.8%
Profitability	Group Cash Contribution ($ million)	260	20%	326	30%
	Group All In Costs ($/oz sold)	1,210	20%	1,215	19.2%
Strategic Imperatives	Discretionary	100%	30%	125%	37.5%
Total			**100%**		**105.4%**

FY19 STIP considerations	At the time of setting the FY19 STIP measures, the Board determined it would consider the following factors when awarding the score for the strategic imperatives measure: • Improvement in the overall asset portfolio, aligned to the business strategy (delivered mainly through goals as identified in the FY19 Business Plan) • Improvement in Operational Effectiveness (via delivery of priority capital projects per FY19 Business Plan)
Award Outcome for the year	The Board approved a score of 125% for the strategic imperatives component of the STIP taking into consideration the overall performance of the business over the course of the year as well as delivery of key strategic outcomes as follows: Improvement in asset quality, including • Increasing the average mine life to beyond 10 years; • Ore reserves, net of depletion, increasing by 410,000 ounces to 7.5 million ounces; • Progress in transforming Cowal into a world-class mine through improved operational performance; Stage H cutback on track; significant discovery success at GRE46-Dalwhinnie; MOD14 permitting approval; Underground Exploration permitting (REF) approval; plant expansion progressing to plan; and successful commissioning of the flotation tails leach project; • Improvement in the exploration pipeline including 3 new active projects; and • Assessing multiple business development opportunities which aligned to improving the quality of the portfolio. Improvement in operating effectiveness via deliver of priority projects during the year, including • Mt Carlton underground mine development and plant upgrade projects approved and tracking to plan at the end of the financial year; • Multiple projects being executed concurrently at Cowal as noted above and being on track; Talent management, including • Exceeding internal target of internal placement with 33% of roles filled during the year by existing Evolution employees which was up from 20% in FY18; • Continued leadership development via Gold, Silver and Alloy programs with a focus on building the pipeline of future leaders; • Targeted development programs for the operations management leadership with site General Managers and site leadership teams; and • Implementation of real time feedback tool to monitor engagement and actioning feedback from the engagement surveys.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(ii) STIP (continued)

Component	Performance measure			
	2019	**Total STIP Granted ($)**	**% of Maximum Entitlement Granted**	**% of Maximum Entitlement Forfeited**
	Directors			
	Jacob Klein	544,000	75.2%	24.8%
	Lawrie Conway	417,000	76.0%	24.0%
	Key Management Personnel			
	Aaron Colleran	182,000	68.8%	31.2%
	Paul Eagle	259,000	72.8%	27.2%
	Evan Elstein	273,000	73.6%	26.4%
	Bob Fulker	348,000	73.6%	26.4%
	Glen Masterman	308,000	77.9%	22.1%

(iii) LTIP

Component	Performance measure
Participation	The Group LTIP applies to employees at the level of Manager, Supervisor, Functional Lead and above across the Group.
Performance period	Up to 3 years.
Composition	The Company has one long term incentive plan currently in operation, the Employee Share Option and Performance Rights Plan ("ESOP"). The ESOP (approved by shareholders on 23 November 2010, 26 November 2014 and 23 November 2017) provides for the issuance of Performance Rights to Executive Directors and eligible employees. This LTIP was first introduced for employees at the level of Manager and above and provides equity based "at risk" remuneration, up to maximum percentages, based on, and in addition to, each eligible employee's TFR. Effective from 1 July 2018, the LTIP was extended to the superintendent and senior technical level in the Company. These incentives are aimed at retaining and incentivising those eligible employees on a basis that is aligned with shareholder interests and are provided via Performance Rights.
Performance conditions	The Performance Rights are issued for a specified period and each Performance Right is convertible into one ordinary share. All Performance Rights expire on the earlier of their expiry date or termination of the employee's employment subject to Director discretion. Performance Rights do not vest until a specified period after granting and their exercise is conditional on the achievement of certain performance hurdles that are aligned with shareholder interests. There are no voting or dividend rights attached to the Performance Rights. Voting and dividend rights attach to the ordinary shares when the Performance Rights vest and shares allocated to the participating employee. Unvested Performance Rights cannot be transferred and will not be quoted on the ASX.
Award parameters	Further details on each of the performance conditions laid out below are detailed in Section f(i) - 'Other Remuneration Information'.

	Performance Target	Description	Weighting for each year from FY16 grants
(i)	TSR Performance	The Group's relative total shareholder return (TSR) measured against the TSR for a peer Company of 20 comparator gold mining companies (Peer Group)	25%
(ii)	Absolute TSR performance	The Group's absolute TSR return	25%
(iii)	Growth in Earnings per share	Growth in the Group's Earnings per share	25%
(iv)	Increase in ore reserves per share	Increasing the ore reserves per share over a 3 year period	25%

Component	Performance measure
FY19 LTIP considerations	Each year an assessment is made by the Directors against performance hurdles and guidelines established by the Board. In exercising their discretion under the rules, the Directors will take into account matters such as the position of the eligible person, the role they play in the Group, the nature or terms of their employment or contract and the contribution they make to the Group as a whole.

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(iii) LTIP (continued)

Component	Performance measure
Award outcome for the year - ESOP Performance Rights	Outcomes for the FY16 award which vested during the year are set out as follows:

Performance Target		Measure	FY16 Outcome	% Vested
(i)	TSR Performance	Percentile	20th	19%
(ii)	Absolute TSR performance	Compound annual return	42%	25%
(iii)	Growth in Earnings per share	Compound annual return	2%	0%
(iv)	Increase in ore reserves per share	Percentage increase	136%	25%
	Total			**69%**

Outcomes for the FY17 award which will vest in August 2019 are set out as follows:

Performance Target		Measure	FY17 Outcome	% Vested
(i)	TSR Performance	Percentile	10th	25%
(ii)	Absolute TSR performance	Compound annual return	27.7%	25%
(iii)	Growth in Earnings per share	Compound annual return	9.9%	14%
(iv)	Increase in ore reserves per share	Percentage increase	117.4%	24%
	Total			**88%**

The movement in Performance Rights under this plan is in the table below:

	2019 Number	2018 Number
Outstanding balance at the beginning of the year	20,942,610	26,278,566
Performance rights granted during the period	5,699,933	6,586,571
Vested during the period	(4,063,412)	(9,214,401)
Lapsed during the period	(1,797,984)	-
Forfeited during the period	(2,138,086)	(2,708,126)
Outstanding balance at the end of the year	**18,643,061**	**20,942,610**

The table below reflects the Performance Rights granted, vested, or lapsed in each financial year:

	FY15	FY16	FY17	FY18	FY19	Running Balance
Granted	10,804,370	8,141,368	6,797,540	6,586,571	5,699,933	38,029,782
Granted - TIP *	-	-	3,375,000	-	-	3,375,000
Vested	(9,214,401)	(4,022,944)	-	-	-	(13,237,345)
Lapsed	-	(2,338,350)	-	-	-	(2,338,350)
Forfeited	(1,589,969)	(2,279,972)	(1,454,806)	(1,428,082)	(933,095)	(7,685,924)
Subject to vesting	-	-	8,717,734	5,158,489	4,766,838	18,643,061
Testing date	30/06/17	30/06/18	30/06/19	30/06/2020	30/06/2021	-
Testing date - TIP *	-	-	16/12/19	-	-	-
Vesting (%) - excluding TIP	100%	69.3%	88.2%	-	-	-

* 3,750,000 Performance Rights were granted in December 2015 to Mr. Jake Klein and were subsequently withdrawn pursuant to a Transition Incentive Plan (TIP) under the Retention Agreement which the Company has entered into with Mr. Klein. Under the Plan the Company granted 3,375,000 Performance Rights to Mr. Klein subject to the satisfaction of Vesting Conditions to be tested as at 16 December 2019 and were approved by shareholders at the shareholder meeting held on 21 June 2017.

Evolution Mining Limited
Directors' Report
30 June 2019
(continued)

Remuneration Report (Audited) (continued)

(d) ***Executive Remuneration Outcomes (continued)***

(iv) Remuneration summary table

	Total Fixed Remuneration		Post-Employment Benefits		STI		LTI					
	Base Salary and Fees		**Superannuation**		**Bonus**		**Amortised Value ***		**Other Benefits ****		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Directors												
Jacob Klein	1,083,268	1,083,752	20,532	20,048	544,000	657,000	3,611,342	2,883,090	-	-	5,529,142	4,643,890
Lawrie Conway	724,468	714,952	20,532	20,048	417,000	480,000	328,415	259,061	-	-	1,490,415	1,474,061
James Askew	115,000	115,000	-	-	-	-	37,895	37,633	-	-	152,895	152,633
Graham Freestone	97,481	118,721	17,519	11,279	-	-	37,895	37,633	-	-	152,895	167,633
Andrea Hall	109,589	71,918	10,411	6,832	-	-	37,895	25,031	-	-	157,895	103,781
Colin Johnstone	126,250	135,000	-	-	-	-	37,895	37,633	-	-	164,145	172,633
Thomas McKeith	117,580	109,589	11,170	10,411	-	-	37,895	37,633	-	-	166,645	157,633
Naguib Sawiris ***	7,917	95,000	-	-	-	-	16,879	37,633	-	-	24,796	132,633
Sebastien de Montessus ***	8,750	105,000	-	-	-	-	16,879	37,633	-	-	25,629	142,633
Key Management Personnel												
Aaron Colleran ****	317,967	444,952	20,532	20,048	182,000	375,000	300,907	243,688	-	-	821,406	1,083,688
Paul Eagle	374,468	359,952	20,532	20,048	259,000	300,000	252,824	201,628	-	-	906,824	881,628
Evan Elstein	387,500	384,952	25,000	20,048	273,000	310,000	268,121	217,642	-	-	953,621	932,642
Bob Fulker	504,468	195,668	20,532	10,024	348,000	170,000	122,786	57,554	-	173,395	995,786	606,641
Glen Masterman	419,468	404,952	20,532	20,048	308,000	350,000	288,988	307,301	-	-	1,036,988	1,082,301
Mark Le Messurier	-	214,976	-	10,024	-	150,000	-	226,102	-	368,352	-	969,454
	4,394,174	**4,554,384**	**187,292**	**168,858**	**2,331,000**	**2,792,000**	**5,396,616**	**4,646,895**	**-**	**541,747**	**12,309,082**	**12,703,884**

* Amortised value of share based rights comprises the fair value of options and performance rights expensed during the year for KMP, and retention rights for NEDs.

** Other benefits for 2018 include relocation costs and a sign on bonus for Bob Fulker and termination benefits for Mark Le Messurier.

*** Naguib Sawiris and Sebastien de Montessus resigned from their roles effective 1 August 2018.

**** Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.

Remuneration Report (Audited) (continued)

(d) *Executive Remuneration Outcomes (continued)*

(v) Executive service agreements

Remuneration and other key terms of employment for the Executive Directors and KMP are formalised in the Executive Services Agreements table below:

Name	Term of agreement and notice period	Total Fixed Remuneration	Notice Period by Executive	Notice period by Evolution	Termination payments *
Existing Executive Directors and Key Management Personnel					
Jacob Klein Executive Chairman	Open	803,800 300,000 fixed Director's Fees	6 months	6 months	12 month Total Fixed Remuneration
Lawrie Conway Finance Director and Chief Financial Officer	Open	625,000 135,000 fixed Director's Fees	3 months	6 months	6 months Total Fixed Remuneration
Paul Eagle Vice President People and Culture	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Evan Elstein Company Secretary and Vice President Information Technology	Open	420,000	3 months	6 months	6 months Total Fixed Remuneration
Bob Fulker Chief Operating Officer	Open	540,000	3 months	6 months	6 months Total Fixed Remuneration
Glen Masterman Vice President Discovery and Business Development	Open	450,000	3 months	6 months	6 months Total Fixed Remuneration

* For a change of control event, the termination payment is 12 months TFR for Executive Directors and KMP.

Fixed salary, inclusive of the required superannuation contribution amount, is reviewed annually by the Board following the end of the financial year. The amounts set out above are the Executive Directors and KMP total fixed remuneration as at the date of this report.

(e) Non-Executive Director Remuneration Outcomes

The Board policy is to remunerate Non-Executive Directors (NEDs) at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee determines Non-Executive Directors fees and reviews this annually, based on market practice, their duties and areas of responsibility. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders (currently $950,000 per annum). Fees for Non-Executive Directors are not linked to the performance of the Group and they currently do not participate in the Group’s STIP or LTIP.

Remuneration Report (Audited) (continued)

(e) *Non-Executive Director Remuneration Outcomes (continued)*

Under the NED Equity Plan, NEDs will be granted Share Rights as part of their remuneration. The number of Share Rights granted will be calculated in accordance with the following formula:

"Equity Amount" ($) for the financial year/Value per Share Right

Where:

- "Equity Amount" is an amount determined by the Board, having regard to level of board and committee fees paid in cash and independent advice received. For 2019, the Equity Amount is $40,000 for each NED while for 2020 the Equity Amount will be $65,000 for each NED.
- The Value per Share Right equals the volume weighted average price (VWAP) of Evolution's ordinary shares traded on the ASX over the 10 trading day period commencing the day after the release of the full year financial results. For 2020, the 10 trading day period to calculate the VWAP used to determine the number of share rights granted to each NED commences on 16 August 2019.

Providing the NED remains a director of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date. The Share Rights granted to NEDs under the NED Equity Plan are not subject to performance conditions or service requirements which could result in potential forfeiture. Vested Share Rights will convert into ordinary shares on a one-for-one basis. Vested Share Rights will be satisfied by either issuing shares or arranging for shares to be acquired on-market, subject to the Evolution Securities Trading Policy and the inside information provisions of the Corporations Act.

Upon the transfer to the relevant NED, the shares will be subject to disposal restrictions (Disposal Conditions) under the earlier of:

- the NED ceasing to be a director of Evolution; or
- 3 years from the date of grant of the share rights or such longer period nominated by the NED at the time of the offer (up to a maximum 15 years from the date of grant).

Generally, Share Rights will lapse if a Participant ceases to be a Director of the Company.

Broken out in the table below is a summary of the fee structure by individual as at 30 June 2019. For remuneration outcomes please refer to table in section d (iv).

	Cash Component ($)					Equity ($)	
	Base Fees	**Lead Independent**	**Sub-Committee Chairman**	**Sub-Committee Member**	**Total Cash Fees**	**NED Equity Plan Shares**	**Total per annum ($)**
Directors							
James Askew	95,000	-	-	20,000	115,000	40,000	155,000
Graham Freestone	95,000	-	-	20,000	115,000	40,000	155,000
Andrea Hall	95,000	-	25,000	-	120,000	40,000	160,000
Colin Johnstone	95,000	-	15,000	10,000	120,000	40,000	160,000
Thomas McKeith	95,000	15,000	15,000	10,000	135,000	40,000	175,000
	475,000	**15,000**	**55,000**	**60,000**	**605,000**	**200,000**	**805,000**

Remuneration Report (Audited) (continued)

(f) Other Remuneration Information

(i) LTIP performance parameters

Component	Assessment
Relative TSR Performance	Performance Rights will be tested against the Group's TSR performance relative to a peer group of comparator gold companies. The Group's and the peer group's TSR will be based on the percentage by which its 30-day volume weighted average share price quoted on the ASX ("VWAP") (plus the value of any dividends paid during the performance period) has increased over a three year period ending 30 June 2019, 30 June 2020 and 30 June 2021.

	Performance Rights granted in FY 17, FY18 and FY19		**Performance Rights granted on or after 1 July 2019**	
Level of performance achieved	**Performance Rights granted in FY17, FY18 and FY19**	**% of TSR Performance Rights vesting**	**Performance Rights granted in FY20**	**% of TSR Performance Rights vesting**
Threshold	Top 50th percentile	33%	Below 50th percentile	0%
	Above the top 50th percentile and below the top 25th percentile	Straight-line pro-rata between 33% and 66%		
Target	Top 25th percentile	66%	At the 50th percentile	50%
	Above the top 25th percentile and below the top 10th percentile	Straight-line pro-rata between 66% and 100%	Between 50th percentile and below 25th percentile	Straight-line pro-rata 50%-100%
Exceptional	Top 10th percentile or above	100%	At or above 25th percentile	100%

Component	Assessment
Absolute TSR performance	Performance rights will be tested against the Group's Absolute TSR performance relative to the 30 days VWAP (Absolute TSR Performance) as at 30 June 2019, 30 June 2020 and 30 June 2021 respectively, measured as the cumulative annual TSR over the three year performance period.

Level of performance achieved	**Evolution Absolute TSR performance**	**% of Absolute TSR Performance Rights vesting**
Threshold	10% Per Annum Return	33%
	Above 10% Per Annum Return and below 15% Per Annum Return	Straight-line pro-rata between 33% and 66%
Target	15% Return Per Annum	66%
	Above 15% Per Annum Return and below 20% Per Annum Return	Straight-line pro-rata between 66% and 100%
Exceptional	Above 20% Per Annum Return	100%

Component	Assessment
Growth in earnings per share	A proportion of Performance Rights granted during the years ended 30 June 2017, 30 June 2018 and 30 June 2019 and those to be granted during the year ended 30 June 2020, will be tested against the Group's growth in Earnings Per Share, calculated by excluding any Non-Recurring Items, and measured as the cumulative annual growth rate over the three year performance period.

Level of performance achieved	**Evolution Earnings per share performance**	**% of Earnings Per Share Performance Rights vesting**
Threshold	7% Per Annum Growth in EPS	33%
	Above 7% Per Annum Growth in EPS and below 11% Per Annum Growth in EPS	Straight-line pro-rata between 33% and 66%
Target	11% Per Annum Growth in EPS	66%
	Above 11% Per Annum Growth in EPS and below 15% Per Annum Growth in EPS	Straight-line pro-rata between 66% and 100%
Exceptional	Above 15% Per Annum Growth in EPS	100%

Remuneration Report (Audited) (continued)

(f) *Other Remuneration Information (continued)*

(i) LTIP performance parameters (continued)

Component	Assessment		
Increase in ore reserves per share	A proportion of Performance Rights will be tested against the Group's ability to grow its Ore Reserves, calculated by measuring the growth over the three year performance period by comparing the baseline measure of the Ore Reserves as at 31 December ("Baseline Ore Reserves") to the Ore Reserves as at 31 December three years later on a per share basis, with testing to be performed at 30 June 2019, 30 June 2020 and 30 June 2021.		
	Level of performance achieved	**Evolution Growth in Ore Reserves per share performance**	**% of Growth in Ore Reserves Performance Rights vesting**
	Threshold	90% of Baseline Ore Reserves	33%
		Above 90% of Baseline Ore Reserves but below 100% Baseline Ore Reserves	Straight-line pro-rata between 33% and 66%
	Target	100% Baseline Ore Reserves	66%
		Above 100% of Baseline Ore Reserves and below 120% of Baseline Ore Reserves	Straight-line pro-rata between 66% and 100%
	Exceptional	120% and above of Baseline Ore Reserves	100%

(ii) Director and key management personnel equity holdings

	Balance at the start of the year	Received during the year on conversion of performance rights	Received during the year on exercise of options	Other changes	Balance at the end of the year
Directors					
Jacob Klein	12,700,023	968,607	-	(2,500,000)	11,168,630
Lawrie Conway	693,270	232,400	-	-	925,670
James Askew	773,587	16,697	-	-	790,284
Graham Freestone	130,505	16,697	-	-	147,202
Andrea Hall	-	16,697	-	-	16,697
Colin Johnstone	125,267	16,697	-	-	141,964
Thomas McKeith	173,220	16,697	-	-	189,917
Naguib Sawiris *	16,298	11,528	-	(27,826)	-
Sebastien de Montessus *	16,298	11,528	-	(27,826)	-
Key Management Personnel					
Aaron Colleran **	30,000	-	-	-	30,000
Paul Eagle	167,000	-	-	-	167,000
Evan Elstein	570,000	191,084	-	(210,000)	551,084
Bob Fulker	-	-	-	-	-
Glen Masterman	-	-	-	-	-
	15,395,468	**1,498,632**	**-**	**(2,765,652)**	**14,128,448**

* In August 2018, La Mancha sold a portion of their shareholding in the Company, taking their total shareholding down to 9.6% of Evolution's issued capital. In line with the terms of the Share Sale Agreement, La Mancha's nominee Directors Mr Naguib Sawiris, Mr Sebastian de Montessus and their Alternate Director Andrew Wray resigned from the Board of Directors effective 1 August 2018.

** Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.

Remuneration Report (Audited) (continued)

(f) ***Other Remuneration Information (continued)***

(ii) Director and key management personnel equity holdings (continued)

Performance and Share Rights

						At end of the year		
	Balance at the start of the year	**Granted as compen-sation**	**Converted**	**Lapsed**	**Other changes**	**Balance at the end of the year**	**Vested and exercisable**	**Unvested**
Directors								
Jacob Klein	5,812,251	495,935	(968,607)	(91,625)	-	5,247,954	684,854	4,563,100
Lawrie Conway	907,508	268,831	(232,400)	(36,115)	-	907,824	269,943	637,881
James Askew	16,697	11,447	(16,697)	-	-	11,447	-	11,447
Graham Freestone	16,697	11,447	(16,697)	-	-	11,447	-	11,447
Andrea Hall	16,697	11,447	(16,697)	-	-	11,447	-	11,447
Colin Johnstone	16,697	11,447	(16,697)	-	-	11,447	-	11,447
Thomas McKeith	16,697	11,447	(16,697)	-	-	11,447	-	11,447
Naguib Sawiris *	16,697	-	(11,528)	(5,169)	-	-	-	-
Sebastien de Montessus *	16,697	-	(11,528)	(5,169)	-	-	-	-
Key Management Personnel								
Aaron Colleran **	1,280,023	209,335	-	(33,383)	-	1,455,975	960,626	495,349
Paul Eagle	846,216	174,079	-	(28,253)	-	992,042	584,231	407,811
Evan Elstein	691,610	181,791	(191,084)	(29,667)	-	652,650	221,751	430,899
Bob Fulker	322,919	231,371	-	-	-	554,290	-	554,290
Glen Masterman	537,490	193,911	-	(32,577)	-	698,824	243,503	455,321
	10,514,896	**1,812,488**	**(1,498,632)**	**(261,958)**	**-**	**10,566,794**	**2,964,908**	**7,601,886**

* Naguib Sawiris and Sebastien de Montessus resigned from their roles effective 1 August 2018.

** Aaron Colleran resigned from the Company effective 1 July 2019 and the KMP position effective 1 January 2019.

Remuneration Report (Audited) (continued)

(g) Summary of Key Terms

Below is a list of key terms with definitions used within the Director's Report:

Key Term	Definition
The Board of Directors ("the Board" or "the Directors")	The Board of Directors, the list of persons under the relevant section above.
Key Management Personnel ("KMP")	Senior executives have the authority and responsibility for planning, directing and controlling the activities of the Company and are members of the senior leadership team. KMP for the financial year ended 30 June 2018 are listed above.
Total Fixed Remuneration ("TFR")	Total Fixed Remuneration comprises a base salary plus superannuation. This is currently positioned at the median (50th percentile) of the industry benchmarking report.
Short Term Incentive ("STI") and Short Term Incentive Plan ("STIP")	STI is the short-term incentive component of Total Remuneration. The STI usually comprises a cash payment that is only received by the employee if specified annual goals are achieved. STIP refers to the plan under which the incentives are granted and paid.
Long Term Incentive ("LTI") and Long term Incentive Plan ("LTIP")	LTI is the long-term incentive component of Total Remuneration. The LTI comprises of Performance Rights, usually with a three year vesting period that are subject to specified vesting conditions established by the Board. Further details of the vesting conditions associated with the performance rights are detailed in the Vesting Conditions of Performance Rights section. Performance Rights cannot be exercised unless the vesting conditions have been satisfied. LTIP refers to the plan under which LTIs are granted and is aimed at retaining and incentivising KMP and senior managers to achieve business objectives that are aligned with shareholder interests, and are currently provided via Performance Rights.
Total Annual Remuneration	Total Fixed Remuneration plus STI.
Total Remuneration	Total Fixed Remuneration plus STI and LTI.
Superannuation Guarantee Charge ("SGC")	This is the employer contribution to an employee nominated superannuation fund required by law. The percentage contribution was set at 9.5% in the reporting period and is capped in line with the SGC maximum quarterly payment.
Employees and Contractors Option Plan ("ECOP")	The plan permits the Company, at the discretion of the Directors, to grant Options over unissued ordinary shares of the Company to eligible Directors, members of staff and contractors as specified in the plan rules. The plan is currently dormant and no further Options will be issued under this plan.
Employee Share Option and Performance Rights Plan ("ESOP")	The plan permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.
NED Equity Plan	The plan permits the Company, at the discretion of the Board and Remuneration Committee to issue remuneration to Non-Executive Directors through Share Rights.
Total Shareholder Return ("TSR")	TSR is the total return on an ordinary share to an investor arising from growth in the share price plus any dividends received.
Key Performance Indicators ("KPIs")	A form of performance measurement for individual performance against a pre-defined set of goals.
Volume Weighted Average Share Price ("VWAP")	A 30 day volume weighted average share price quote on the Australian Stock Exchange (ASX). The VWAP is to be used when assessing Company performance for TSR.
Fees	Fees paid to Executive and Non-Executive Directors for services as a Director, including sub-committee fees as applicable.

Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the company secretaries and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In Summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the financial year, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out below. Details of the amounts paid or payable to the auditor for audit services provided during the year are set out in note 26(a).

The board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

Non-audit services (continued)

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2019 $	2018 $
Other assurance services		
PricewaterhouseCoopers firm:		
Due dilligence services	**200,000**	-
Non PricewaterhouseCoopers audit firms		
Internal audit services	**205,029**	168,971
Other assurance services	**56,244**	259,965
Total remuneration for other assurance services	**461,273**	428,936
Taxation services		
PricewaterhouseCoopers firm:		
Tax compliance services	**116,600**	-
Tax advisory services	**-**	8,670
Non PricewaterhouseCoopers audit firms		
Tax compliance services	**68,523**	397,215
Tax advisory services	**538,213**	254,242
Total remuneration for taxation services	**723,336**	660,127
Total remuneration for non-audit services	**1,184,609**	1,089,063

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 35.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Auditor’s Independence Declaration

As lead auditor for the audit of Evolution Mining Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Evolution Mining Limited and the entities it controlled during the period.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
15 August 2019

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Evolution Mining Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Sales revenue	2	**1,509,824**	1,540,433
Cost of sales	2	**(1,133,046)**	(1,140,472)
Gross Profit		**376,778**	399,961
Interest income		**7,134**	3,332
Other income		**574**	651
Share based payments expense	25	**(10,884)**	(8,491)
Corporate and other administration costs	2	**(27,519)**	(27,193)
Transaction and integration costs	2	**(1,455)**	866
Exploration and evaluation costs expensed		**(7,190)**	(5,414)
Finance costs	2	**(22,612)**	(24,778)
Profit before income tax expense		**314,826**	338,934
Income tax expense	3	**(96,638)**	(75,546)
Profit after income tax expense attributable to Owners of Evolution Mining Limited		**218,188**	263,388
Other comprehensive income			
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI) (will not be reclassified to profit or loss)	11(b)	**18,845**	(1,925)
Exchange differences on translation of foreign operations (may be reclassified to profit or loss)		**(103)**	46
Other comprehensive income for the period, net of tax		**18,742**	(1,879)
Total comprehensive income for the period		**236,930**	261,509
Total comprehensive income for the period is attributable to:			
Owners of Evolution Mining Limited		**236,930**	261,509
		236,930	261,509
		Cents	**Cents**
Earnings per share for profit attributable to Owners of Evolution Mining Limited:			
Basic earnings per share	4	**12.86**	15.57
Diluted earnings per share	4	**12.78**	15.51

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Balance Sheet
As at 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**335,164**	323,226
Trade and other receivables	12	**86,207**	71,296
Inventories	14	**259,909**	264,221
Current tax receivables		**1,467**	-
Total current assets		**682,747**	658,743
Non-current assets			
Inventories	14	**58,923**	38,459
Equity investments at fair value through other comprehensive income (FVOCI)	15(a)	**66,185**	5,536
Property, plant and equipment	7	**577,053**	571,775
Mine development and exploration	8	**1,672,068**	1,743,752
Deferred tax assets	18	**-**	419
Other non-current assets	16	**36,915**	37,632
Total non-current assets		**2,411,144**	2,397,573
Total assets		**3,093,891**	3,056,316
LIABILITIES			
Current liabilities			
Trade and other payables	13	**156,828**	152,367
Interest bearing liabilities	10	**108,248**	93,496
Current tax liabilities		**-**	47,312
Provisions	17	**29,957**	32,085
Other current liabilities		**-**	63
Total current liabilities		**295,033**	325,323
Non-current liabilities			
Interest bearing liabilities	10	**185,185**	292,470
Provisions	17	**153,376**	150,129
Deferred tax liabilities	18	**53,819**	-
Total non-current liabilities		**392,380**	442,599
Total liabilities		**687,413**	767,922
Net assets		**2,406,478**	2,288,394
EQUITY			
Issued capital	11(a)	**2,183,727**	2,183,727
Reserves	11(b)	**72,379**	45,407
Retained earnings	11(c)	**150,372**	59,260
Capital and reserves attributable to owners of Evolution Mining Limited		**2,406,478**	2,288,394
Total equity		**2,406,478**	2,288,394

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

	Notes	Issued capital $'000	Share-based payments $'000	Fair value revaluation reserve $'000	Foreign currency translation $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2017		**2,183,727**	**37,149**	**1,589**	**57**	**(94,270)**	**2,128,252**
Profit after income tax expense		-	-	-	-	263,388	263,388
Changes in fair value of Equity investments at FVOCI		-	-	(1,925)	-	-	(1,925)
Exchange differences on translation of foreign operations		-	-	-	46	-	46
Total comprehensive income		**-**	**-**	**(1,925)**	**46**	**263,388**	**261,509**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(109,858)	(109,858)
Recognition of share-based payments	25	-	8,491	-	-	-	8,491
		-	**8,491**	**-**	**-**	**(109,858)**	**(101,367)**
Balance at 30 June 2018		**2,183,727**	**45,640**	**(336)**	**103**	**59,260**	**2,288,394**
Balance at 1 July 2018		**2,183,727**	**45,640**	**(336)**	**103**	**59,260**	**2,288,394**
Profit after income tax expense		-	-	-	-	218,188	218,188
Changes in fair value of Equity investments at FVOCI		-	-	18,845	-	-	18,845
Exchange differences on translation of foreign operations		-	-	-	(103)	-	(103)
Total comprehensive expense		**-**	**-**	**18,845**	**(103)**	**218,188**	**236,930**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	5	-	-	-	-	(127,076)	(127,076)
Recognition of share-based payments	25	-	8,230	-	-	-	8,230
		-	**8,230**	**-**	**-**	**(127,076)**	**(118,846)**
Balance at 30 June 2019		**2,183,727**	**53,870**	**18,509**	**-**	**150,372**	**2,406,478**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Evolution Mining Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Notes	30 June 2019 $'000	30 June 2018 $'000
Cash flows from operating activities			
Receipts from customers		**1,512,675**	1,554,951
Payments to suppliers and employees		**(794,648)**	(775,032)
Other income		**574**	651
Interest received		**7,057**	2,510
Interest paid		**(18,243)**	(20,495)
Income taxes paid		**(91,179)**	(48,419)
Net cash inflow from operating activities	6(a)	**616,236**	714,166
Cash flows from investing activities			
Payments for property, plant and equipment		**(105,415)**	(116,053)
Payments for mine development and exploration		**(218,623)**	(191,875)
Proceeds from sale of property, plant and equipment		**142**	595
Proceeds from sale of subsidiary		**700**	40,000
Payments for stamp duty related to business disposal		**(15)**	-
Cash disposed on sale of subsidiary		**-**	(13)
Payments for transaction and integration costs		**(1,440)**	(438)
Transfer from term deposits		**17**	-
Payments for equity investments		**(41,803)**	(2,500)
Payments for exploration asset acquisitions		**(15,750)**	-
Net cash outflow from investing activities		**(382,187)**	(270,284)
Cash flows from financing activities			
Repayment of interest bearing liabilities - Senior Secured Syndicated Revolving and Term Facility		**(95,000)**	(40,000)
Repayment of short term borrowings		**-**	(84,330)
Proceeds from short term borrowings		**-**	77,460
Payment of finance lease liabilities		**-**	(1,344)
Dividends paid		**(127,111)**	(109,873)
Net cash outflow from financing activities		**(222,111)**	(158,087)
Net increase in cash and cash equivalents		**11,938**	285,795
Cash and cash equivalents at the beginning of the year		**323,226**	37,385
Effects of exchange rate changes on cash and cash equivalents		**-**	46
Cash and cash equivalents at end of year	9	**335,164**	323,226

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Contents of the Notes to the Consolidated Financial Statements

Business Performance

This section highlights the key indicators on how the Group performed during the year.

1 Performance by Mine

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Chairman and the Senior Leadership Team (the chief business decision makers) in assessing performance and in determining the allocation of resources.

The Group's operational mine sites, Exploration and Corporate are each treated as individual operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Corporate includes share-based payment expenses and other corporate expenditures supporting the business during the year.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA).

The Group's operations are all conducted in the mining industry in Australia.

(b) Segment information

The segment information for the reportable segments for the year ended 30 June 2019 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Edna May $'000	Explo-ration $'000	Corp-orate $'000	Total $'000
30 June 2019										
Revenue	435,556	212,881	198,532	166,954	144,475	351,426	-	-	-	1,509,824
EBITDA	230,674	75,234	120,337	53,912	62,077	231,619	-	(7,190)	(36,401)	730,262
Sustaining Capital	44,000	11,960	8,039	4,446	15,158	9,636	-	-	1,433	94,672
Major Capital	100,734	16,153	27,537	23,921	12,052	-	-	-	-	180,397
Total Capital	144,734	28,113	35,576	28,367	27,210	9,636	-	-	1,433	275,069

The segment information for the reportable segments for the year ended 30 June 2018 is as follows:

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Edna May $'000	Explo-ration $'000	Corp-orate $'000	Total $'000
30 June 2018										
Revenue	422,858	191,062	214,844	179,387	147,708	347,403	37,171	-	-	1,540,433
EBITDA	234,225	67,331	136,503	93,006	70,210	230,976	2,629	(5,414)	(34,383)	795,083
Sustaining Capital	39,697	9,935	9,866	8,574	19,601	11,618	1,599	-	1,619	102,509
Major Capital	84,923	36,611	21,009	10,924	14,451	-	3,072	-	-	170,990
Total Capital	124,620	46,546	30,875	19,498	34,052	11,618	4,671	-	1,619	273,499

1 Performance by Mine (continued)

(c) Segment reconciliation

	30 June 2019 $'000	30 June 2018 $'000
Reconciliation of profit before income tax expense		
EBITDA	**730,262**	795,083
Depreciation and amortisation	**(374,909)**	(405,230)
Interest income	**7,134**	3,332
Transaction and integration costs	**(1,455)**	866
Fair value amortisation expense	**(23,594)**	(33,481)
Fair value unwinding expense	**-**	3,142
Finance costs	**(22,612)**	(24,778)
Profit before income tax expense	**314,826**	338,934

Recognition and measurement

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Evolution Mining Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief business decision maker, consists of the Executive Chairman and the Senior Leadership Team (KMP).

2 Revenue and Expenses

	30 June 2019 $'000	30 June 2018 $'000
Revenue from contracts with customers		
Gold sales	**1,307,532**	1,312,640
Silver sales	**14,397**	21,049
Copper sales	**187,895**	206,744
	1,509,824	1,540,433

Disaggregation of revenue from contracts with customers

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Edna May $'000	Total $'000
								30 June 2019
Gold sales	430,304	212,556	186,885	164,095	143,674	170,018	-	1,307,532
Silver sales	5,252	325	4,143	2,859	801	1,017	-	14,397
Copper sales	-	-	7,504	-	-	180,391	-	187,895
Total Revenue from contracts with customers	435,556	212,881	198,532	166,954	144,475	351,426	-	1,509,824

2 Revenue and Expenses (continued)

Disaggregation of revenue from contracts with customers (continued)

	Cowal $'000	Mungari $'000	Mt Carlton $'000	Mt Rawdon $'000	Cracow $'000	Ernest Henry $'000	Edna May $'000	Total $'000
								30 June 2018
Gold sales	416,512	190,509	186,513	176,701	146,854	158,557	36,994	1,312,640
Silver sales	6,346	553	9,075	2,686	854	1,358	177	21,049
Copper sales	-	-	19,256	-	-	187,488	-	206,744
Total Revenue from contracts with customers	422,858	191,062	214,844	179,387	147,708	347,403	37,171	1,540,433

Assets related to contracts with customers

The Group has recognised the following revenue-related contract assets:

	30 June 2019 $'000	30 June 2018 $'000
Ernest Henry silver and copper accrued revenue (i)	47,574	46,897
	47,574	46,897

(i) The Group's contract asset relates to silver and copper accrued revenue from April to June 2019 production for the Ernest Henry operation. These amounts are to be settled in July to September 2019. Refer Note 23.

Recognition and measurement - revenue from contracts with customers

The Group adopted AASB 15 during the year. In accordance with the transition provisions in AASB 15, the group adopted the modified retrospective approach and has not restated comparatives for the 2018 financial year. As the transitional provisions did not have a material impact on the amount of revenue recognised under the previous AASB 118, no cumulative adjustment was recognised to the opening balance of retained earnings for the 2019 financial year. The accounting policy in respect of revenue is set out below.

The Group generates sales revenue primarily from the performance obligation to deliver goods such as gold and concentrate to the buyer. Revenue from contracts with customers is recognised when control of the goods are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For gold sales, revenue is recognised at the point where the doré leaves the gold room at the Group's mine site to the buyer or where gold metal credits are transferred to the customer's account. In relation to the Group's economic interest in Ernest Henry (note 23(a)) gold sales are recognised when the metal is received and sold by Evolution.

For concentrate sales, revenue is recognised generally upon receipt of the bill of lading when the commodity is delivered for shipment. Copper and silver in concentrates sales in relation to the Group's economic interest in Ernest Henry (note 23(a)) are recognised as accrued revenue in the same month as their production is reported as the production is in the control of the customer. The transaction price for each contract is allocated entirely to this performance obligation.

The terms of metal in concentrate sales contracts with third parties, contain provisional pricing arrangements whereby the final selling price for metal in concentrate is based on prevailing average monthly prices on a specified future period after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted marked prices up to the final settlement price specified in the sales contracts. The period between provisional invoicing and final settlement is typically one to three months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

Accounting estimates and judgements

Timing of Revenue Recognition - Ernest Henry Operation

The Group applied significant judgement as to when gold, silver and copper revenue should be recognised from the Ernest Henry Mine. Gold sales are recognised by the Group when the bullion is delivered to Evolution's gold account and sold in the third month after the month of production. Copper and silver sales are recognised as accrued revenue by the Group in the same month as their production is reported by the operator Glencore. Copper and silver is sold in accordance with the Offtake Agreement with Glencore where the metal is sold immediately following treatment and refining and is paid for in cash.

2 Revenue and Expenses (continued)

	30 June 2019 $'000	30 June 2018 $'000
Cost of sales		
Mine operating costs	**672,987**	639,609
Royalty and other selling costs	**62,984**	65,944
Depreciation and amortisation expense	**373,481**	404,580
Fair value amortisation	**23,594**	33,481
Fair value gain	**-**	(3,142)
	1,133,046	1,140,472
Corporate and other administration costs		
Depreciation and amortisation expense	**1,428**	650
Corporate overheads	**26,091**	26,543
	27,519	27,193
Transaction and integration costs		
Contractor, consultants and advisory expense	**1,209**	724
Corporate and administration expense	**231**	978
Stamp duty on business combinations	**15**	(2,568)
	1,455	(866)
Finance costs		
Amortisation of debt establishment costs	**2,468**	740
Unwinding of discount on provisions	**1,901**	3,544
Interest expense	**18,243**	20,494
	22,612	24,778
Depreciation and amortisation		
Cost of sales (excluding Ernest Henry)	**243,578**	278,911
Cost of sales (Ernest Henry)	**129,903**	125,669
Corporate and other administration costs	**1,428**	650
	374,909	405,230

3 Income tax expense

(a) Income tax expense

	30 June 2019 $'000	30 June 2018 $'000
Current tax on profits for the period	**52,092**	85,490
Deferred tax	**45,785**	(4,433)
Adjustments for current tax of prior periods	**(1,239)**	(5,511)
	96,638	75,546

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2019 $'000	30 June 2018 $'000
Profit before income tax	**314,826**	338,934
Tax at the Australian tax rate of 30%	**94,448**	101,680
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax expense on sale of subsidiary	**-**	4,165
Adjustments for current tax of prior periods	**(1,239)**	(5,511)
Share-based payments	**3,265**	2,547
Other	**164**	(689)
Temporary differences now recognised to reduce deferred tax expense	**-**	(12,993)
Tax loss recognised to reduce deferred tax expense	**-**	(4,544)
Tax losses used to reduce current tax expense	**-**	(9,109)
Income tax expense	**96,638**	75,546

4 Earnings per share

(a) Earnings per share

	30 June 2019 Cents	30 June 2018 Cents
Basic earnings per share (cents)	**12.86**	15.57
Diluted earnings per share (cents)	**12.78**	15.51

(b) Earnings used in calculating earnings per share

	30 June 2019 $'000	30 June 2018 $'000
Earnings per share used in the calculation of basic and diluted earnings per share:		
Profit after income tax attributable to the owners of the parent	**218,188**	263,388

(c) Weighted average number of shares used as the denominator

	2019 Number	2018 Number
Weighted average number of ordinary shares used in calculating the basic earnings per share	**1,696,474,437**	1,691,215,407
Effect of dilutive securities (i)	**10,320,172**	6,419,798
Adjusted weighted average number of ordinary shares used in calculating the diluted earnings per share	**1,706,794,609**	1,697,635,205

(i) Performance rights and share rights have been included in the determination of diluted earnings per share.

5 Dividends

(a) Ordinary shares

	30 June 2019 $'000	30 June 2018 $'000
Interim dividend - 2019		
Interim dividend for the year ended 30 June 2019 of 3.5 cents per share fully franked (30 June 2018: 3.5 cents per share fully franked) per fully paid share paid on 29 March 2019	**59,321**	59,180
Final dividend - 2018		
Final dividend for the year ended 30 June 2018 of 4 cents per share fully franked (30 June 2017: 3 cents per share fully franked) paid on 28 September 2018	**67,755**	50,678
	127,076	109,858

(b) Dividends not recognised at the end of the reporting period

In August 2019, the Directors approved a change to the dividend policy of whenever possible paying a dividend based on free cash flow generated during a year. The Directors will assess the group cash flow and outlook for the business with the intention to return excess cash to shareholders and targeting a level around 50% of cash flow. The Group's free cash flow is defined as cash flow before debt and dividends. The final dividend for 2019 has been calculated accordingly.

	30 June 2019 $'000	30 June 2018 $'000
In addition to the above dividends, since period end the Directors have recommended the payment of a fully franked final dividend of 6.0 cents per fully paid ordinary share (30 June 2018: 4 cents fully franked). The aggregate amount of the proposed dividend expected to be paid on 27 September 2019 out of retained earnings at 30 June 2019, but not recognised as a liability at period end, is	**101,824**	67,704

(c) Franked dividends

The final dividend recommended after 30 June 2019 will be fully franked out of the franking credits balance at the end of the financial year and the franking credits expected to arise from the payment of income tax during the year ending 30 June 2020. The franking account balance at the end of the financial year is $38.1 million (30 June 2018: $1.3 million).

6 Other cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2019 $'000	30 June 2018 $'000
Profit after income tax	**218,188**	263,388
Transaction and integration costs	**1,455**	(866)
Fair value amortisation and expense	**23,594**	30,339
Depreciation and amortisation	**373,551**	404,650
Unwind of discount on provisions	**1,901**	3,544
Amortisation of debt establishment costs	**2,468**	740
Share-based payments expense	**8,906**	8,491
Exploration and evaluation costs expensed	**7,190**	5,414
Timing difference on settlement of Ernest Henry sales/costs	**2,091**	(76)
Income tax expense	**96,638**	75,546
Tax Payments	**(91,179)**	(48,419)
Change in operating assets and liabilities:		
Increase in operating receivables	**(14,991)**	(9,509)
Increase in inventories	**(13,039)**	(26,728)
Increase in operating payables	**1,967**	8,179
(Decrease)/Increase in borrowing costs	**-**	(2,684)
(Decrease)/Increase in other provisions	**(2,504)**	2,157
Net cash inflow from operating activities	**616,236**	714,166

(b) Net cash/(debt) reconciliation

This section sets out an analysis of net debt and the movements in net cash/(debt) for each of the periods presented.

	30 June 2019 $'000	30 June 2018 $'000
Net debt		
Cash and cash equivalents	**335,164**	323,226
Bank loans	**(300,000)**	(395,000)
Net cash/(debt)	**35,164**	(71,774)

	Cash and cash equivalent $'000	Finance leases due within 1 year $'000	Bank loans due within 1 year $'000	Bank loans due after 1 year $'000	Total $'000
Year ended 30 June 2018					
Net debt at the beginning of the year	37,385	(1,344)	(50,000)	(385,000)	(398,959)
Cash flows	285,794	1,344	(45,000)	85,000	327,138
Foreign exchange adjustments	47	-	-	-	47
Net debt as at end of the year	**323,226**	**-**	**(95,000)**	**(300,000)**	**(71,774)**
Year ended 30 June 2019					
Net debt as at 1 July 2018	323,226	-	(95,000)	(300,000)	(71,774)
Cash flows	11,938	-	(15,000)	110,000	106,938
Net debt as at 30 June 2019	**335,164**	**-**	**(110,000)**	**(190,000)**	**35,164**

Resource Assets and Liabilities

This section provides information that is relevant to understanding the composition and management of the Group's assets and liabilities.

7 Property, plant and equipment

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2018			
Cost	14,261	1,590,847	1,605,108
Accumulated depreciation	-	(1,033,333)	(1,033,333)
Net carrying amount	14,261	557,514	571,775
Year ended 30 June 2019			
Carrying amount at the beginning of the year	14,261	557,514	571,775
Additions	3,268	102,147	105,415
Disposals	-	(147)	(147)
Depreciation	-	(97,530)	(97,530)
Depreciation relating to fair value uplift on business combination	-	(2,460)	(2,460)
Carrying amount at the end of the year	17,529	559,524	577,053
At 30 June 2019			
Cost	17,529	1,682,343	1,699,872
Accumulated depreciation	-	(1,122,819)	(1,122,819)
Net carrying amount	17,529	559,524	577,053
Included in above			
Assets in the course of construction	-	87,926	87,926

	Freehold land $'000	Plant and equipment $'000	Total $'000
At 1 July 2017			
Cost	16,841	1,640,294	1,657,135
Accumulated depreciation	-	(915,946)	(915,946)
Net carrying amount	16,841	724,348	741,189
Year ended 30 June 2018			
Carrying amount at the beginning of the year	16,841	724,348	741,189
Additions	-	116,053	116,053
Reclassifications	-	(90,578)	(90,578)
Disposals	-	(595)	(595)
Depreciation	-	(117,563)	(117,563)
Depreciation relating to fair value uplift on business combination	-	(4,608)	(4,608)
Disposal of subsidiary	(2,580)	(69,543)	(72,123)
Carrying amount at the end of the year	14,261	557,514	571,775
At 30 June 2018			
Cost	14,261	1,590,847	1,605,108
Accumulated depreciation	-	(1,033,333)	(1,033,333)
Net carrying amount	14,261	557,514	571,775
Included in above			
Assets in the course of construction	-	103,445	103,445

7 Property, plant and equipment (continued)

Recognition and measurement

Cost

Plant and equipment is carried at cost less accumulated depreciation and impairment. Costs equals the fair value of the item at acquisition date and includes expenditure that is directly attributable to the acquisition of the items. Freehold land is carried at cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit or Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

Depreciation

Depreciation of plant and equipment is calculated using either the straight line or units of production method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 10% and 33% per annum. Freehold land is not depreciated.

Accounting estimates and judgements

Estimation of remaining useful lives, residual values and depreciation methods involve significant judgement and are reviewed annually for all major items of plant and equipment. Any changes are accounted for prospectively from the date of reassessment to the end of the revised useful life.

8 Mine development and exploration

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2018			
Cost	3,085,507	152,301	3,237,808
Accumulated depreciation	(1,494,056)	-	(1,494,056)
Net carrying amount	1,591,451	152,301	1,743,752
Year ended 30 June 2019			
Carrying amount at beginning of year	1,591,451	152,301	1,743,752
Additions	169,108	67,299	236,407
Amortisation	(276,883)	-	(276,883)
Amortisation recognised in inventory	(1,358)	-	(1,358)
Amortisation relating to fair value uplift on business combinations	(21,134)	-	(21,134)
Asset write-off	-	(7,190)	(7,190)
Reclassification to long term inventory	(1,526)	-	(1,526)
Carrying amount at the end of the year	1,459,658	212,410	1,672,068
At 30 June 2019			
Cost	3,253,088	212,410	3,465,498
Accumulated amortisation	(1,793,430)	-	(1,793,430)
Net carrying amount	1,459,658	212,410	1,672,068

	Producing mines $'000	Exploration and evaluation $'000	Total $'000
At 1 July 2017			
Cost	2,959,137	128,128	3,087,265
Accumulated depreciation	(1,285,786)	-	(1,285,786)
Net carrying amount	1,673,351	128,128	1,801,479
Year ended 30 June 2018			
Carrying amount at beginning of year	1,673,351	128,128	1,801,479
Additions	176,772	31,014	207,786
Amortisation	(287,668)	-	(287,668)
Amortisation recognised in inventory	(580)	-	(580)
Amortisation relating to fair value uplift on business combinations	(28,873)	-	(28,873)
Asset write-off	-	(5,410)	(5,410)
Reclassification to long term inventory	78,557	(1,259)	77,298
Disposal of subsidiary	(20,108)	(172)	(20,280)
Carrying amount at the end of the year	1,591,451	152,301	1,743,752
At 30 June 2018			
Cost	3,085,507	152,301	3,237,808
Accumulated depreciation	(1,494,056)	-	(1,494,056)
Net carrying amount	1,591,451	152,301	1,743,752

Recognition and measurement

Mines under construction

This expenditure includes net direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. Expenditure is net of proceeds from the sale of ore extracted during the construction phase to the extent that this ore extracted is considered material to the development of the mine.

After production commences, all aggregated costs of construction are transferred to producing mines or plant and equipment as appropriate.

8 Mine development and exploration (continued)

Recognition and measurement

Producing mines - deferred stripping

Stripping (waste removal) costs are incurred both during the development phase and production phase of operations. Stripping costs incurred during the development phase are capitalised as mines under construction. Stripping costs incurred during the production phase are generally considered to create two benefits:

- the production of ore inventory in the period - accounted for as a part of the cost of producing those ore inventories; or
- improved access to the ore to be mined in the future - recognised under producing mines if the following criteria are met:
    - Future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
    - The component of the ore body for which access has been improved can be accurately identified; and
    - The costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the life of component ratio which is obtained by dividing the amount of waste tonnes mined by the quantity of gold ounces contained in the ore for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to contained gold ounce ratio exceeds the life of component expected 'life of component' ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is determined based on mine plans. An identified component of the ore body is typically a subset of the total ore body of the mine. Each mine may have several components, which are identified based on the mine plan.

The deferred stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the ore within an identified component, plus an allocation of directly attributable overhead costs.

The deferred stripping asset is depreciated over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body.

Exploration and evaluation

Exploration and evaluation expenditure related to areas of interest is capitalised and carried forward to the extent that rights to tenure of the area of interest are current and either:

- Costs are expected to be recouped through the successful development and exploitation of the area of interest or alternatively by sale; or
- Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

The carrying value of capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount. Any amounts in excess of the recoverable amount are derecognised in the financial year it is determined.

Depreciation and amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

Impairment of non-financial assets

(i) Testing for impairment

At each reporting date, the Group tests its tangible and other intangible assets for impairment where there in an indication that:

- the asset may be impaired; or
- previously recognised impairment (on assets other than goodwill) may have changed.

Where the asset does not generate cash inflows independent from other assets and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs. The Group considers each of its mine sites to be a separate CGU.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss recognised in the Statement of Profit or Loss. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

8 Mine development and exploration (continued)

Recognition and measurement

Impairment of non-financial assets

(ii) Impairment calculations

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, a discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of potential acquisition targets, maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness.

Accounting estimates and judgements

Deferred stripping

The life of component ratio is a function of the mine design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine design. Changes to production stripping resulting from a change in life of component ratios are accounted for prospectively.

Exploration and evaluation

Judgement is required to determine whether future economic benefits are likely, from either exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to these judgements, the Group has to make certain estimates and assumptions such as the determination of a JORC resource which is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). These estimates directly impact when the Group capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

The recoverable amount of capitalised expenditure relating to undeveloped mining projects (projects for which the decision to mine has not yet been approved at the required authorisation level within the Group) can be particularly sensitive to variations in key estimates and assumptions. If a variation in key estimates or assumptions has a negative impact on recoverable amount it could result in a requirement for impairment.

Units of production method of amortisation

The Group uses the units of production basis when amortising mine development assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Ore reserves and resources

The Group estimates its ore reserves and mineral resources annually at 31 December each year and reports in the following April, based on information compiled by Competent Persons as defined in accordance with the Australasian code for reporting Exploration Results, Mineral Resources and Ore Resources (JORC code 2012). The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term exchange rates, estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserves estimates can impact the carrying amount of mine development (including exploration and evaluation assets), the provision for rehabilitation obligations, the recognition of deferred tax assets, as well as the amount of amortisation charged to the statement of profit or loss.

Impairment

Significant judgements, estimates and assumptions are required in determining value in use or fair value less costs of disposal. This is particularly so in the assessment of long life assets. It should be noted that the CGU recoverable amounts are subject to variability in key assumptions including, but not limited to, gold and copper prices, currency exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to determine value in use or fair value less costs of disposal could result in a change in a CGU's recoverable amount.

The Group has considered whether past impairment losses should be reversed given the expectation of continued improved earnings in relation to those CGUs. While there are some indicators supporting a reversal of impairment, other indicators (such as metals prices, continued price volatility and variability in values of asset transactions) do not clearly support a reversal. Accordingly a reversal of past impairment losses has not been recognised.

Capital Structure and Financing

This section provides information on the Group's capital and financial management activities.

9 Cash and cash equivalents

	30 June 2019 $'000	30 June 2018 $'000
Current assets		
Short term deposits	**230,000**	230,000
Cash at bank	**105,164**	93,226
	335,164	323,226

Recognition and measurement

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less and are classified as financial assets held at amortised cost.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

10 Interest bearing liabilities

	30 June 2019 $'000	30 June 2018 $'000
Current liabilities		
Bank loans	**110,000**	95,000
Less: Borrowing costs	**(1,752)**	(1,504)
	108,248	93,496
Non-current liabilities		
Bank loans	**190,000**	300,000
Less: Borrowing costs	**(4,815)**	(7,530)
	185,185	292,470

The Senior Secured Revolving Loan ("Facility A") remained undrawn during the year.

During the prior year, the Group successfully renewed the Senior Secured Revolving Loan (“Facility A”) and the Performance Bond Facility (“Facility C”) through until July 2021 for $350.0 million and $175.0 million respectively (previously $300.0 million and $155.0 million respectively). The expiry date of the Senior Secured Term Loan (“Facility D”) remained unchanged at October 2021.

The repayment periods and the outstanding balances as at 30 June 2019 on each Facility are set out below:

	Term date	Outstanding balance
Senior Secured Revolving Loan - Facility A ($350.0 million)	31 July 2021	$ nil
Performance Bond Facility - Facility C ($175.0 million)	31 July 2021	$136 million
Senior Secured Term Loan - Facility D	15 October 2021	$300 million

(a) Secured liabilities and assets pledged as security

The Facility is secured in the form of a General Security Agreement and Share Security Agreement over the Group's operating assets. The carrying amounts of assets pledged as general security for total borrowings is $1.747 billion. The share capital pledged as share security for total borrowings is $1.524 billion.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value less directly attributable transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised.

11 Equity and reserves

(a) Contributed equity

Movements in ordinary share capital

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the rights to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders and are classified as equity.

	Number of shares	$'000
Balance at 1 July 2017	1,682,798,626	2,183,727
Shares issued on vesting of performance rights	9,214,401	-
Shares issued under Employee Share Scheme (i)	501,234	-
Shares issued under NED Equity Plan	97,788	-
Balance at 30 June 2018	1,692,612,049	2,183,727
Shares issued on vesting of performance rights	4,063,414	-
Shares issued under Employee Share Scheme (i)	287,716	-
Shares issued under NED Equity Plan	106,541	-
Balance at 30 June 2019	1,697,069,720	2,183,727

(i) Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 25.

Recognition and measurement

Ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares, options or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

(b) Other reserves

	Notes	30 June 2019 $'000	30 June 2018 $'000
Fair value revaluation reserve		**18,509**	(336)
Share-based payments		**53,870**	45,640
Other reserves		**-**	103
		72,379	45,407
Movements:			
Fair value revaluation reserve			
Balance at the beginning of the year		**(336)**	1,589
Change in fair value of equity investments	15(a)	**18,845**	(1,925)
Balance at the end of the year		**18,509**	(336)
Share-based payments			
Balance at the beginning of the year		**45,640**	37,149
Share based payments recognised	25	**8,230**	8,491
Balance at the end of the year		**53,870**	45,640
Foreign currency translation			
Balance at the beginning of the year		**103**	57
Currency translation differences arising during the year		**(103)**	46
Balance at the end of the year		**-**	103

(i) Nature and purpose of other reserves

Fair value revaluation reserve

The fair value revaluation reserve records fair value changes on equity investments designated at fair value through other comprehensive income.

11 Equity and reserves (continued)

(b) Other reserves (continued)

(i) Nature and purpose of other reserves (continued)

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Non-Executive Directors, Executive Directors and key management personnel as part of their remuneration. Refer to note 25 for further information.

Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Retained earnings

Movements in retained earnings were as follows:

	Notes	30 June 2019 $'000	30 June 2018 $'000
Balance at the beginning of the year		**59,260**	(94,270)
Net profit for the period		**218,188**	263,388
Dividends paid	5	**(127,076)**	(109,858)
Balance at the end of the year		**150,372**	59,260

12 Trade and other receivables

	30 June 2019 $'000	30 June 2018 $'000
Current assets		
Accrued Revenue	**47,574**	46,897
Trade receivables	**25,748**	13,497
GST refundable	**6,085**	3,501
Prepayments	**4,504**	5,386
Other receivables	**2,296**	2,015
	86,207	71,296

Recognition and measurement

Accrued Revenue

Accrued revenue of $47.6 million (30 June 2018: $46.9 million) relates to silver and copper sales from April to June 2019 production for Ernest Henry. This balance is the Group's revenue-related contract asset under AASB 15 Revenue from Contracts with Customers (see note 2). These amounts are to be settled in July to September 2019. Refer to note 23 for further information on the transaction and the financial results for the year ended 30 June 2019.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. They do not contain impaired assets and are not past due.

13 Trade and other payables

	30 June 2019 $'000	30 June 2018 $'000
Current liabilities		
Trade creditors and accruals	**133,264**	123,888
Other payables	**23,564**	28,479
	156,828	152,367

Recognition and measurement

Trade creditors and accruals

Trade creditors and accruals represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Trade creditors and accruals include accrued costs of $32.2 million (30 June 2018: $29.2 million) relating to the Group's share of production costs for April to June 2019 for Ernest Henry. These amounts are to be settled in July to September 2019. Refer to note 23 for further information on the transaction and the financial results for the year ended 30 June 2019.

14 Inventories

	30 June 2019 $'000	30 June 2018 $'000
Current		
Stores	**49,895**	43,334
Ore	**145,542**	166,820
Doré and concentrate	**7,979**	6,055
Metal in circuit	**28,496**	21,867
Metal in transit	**27,997**	26,145
Total current inventories	**259,909**	264,221
Non-current		
Ore	**58,923**	38,459
Total non-current inventories	**58,923**	38,459

Recognition and measurement

Ore stockpiles, metal in circuit, gold doré, metal in transit, refined gold bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. If the stockpile is not expected to be processed within 12 months after reporting date, it is included in non-current assets.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Accounting estimates and judgements

Net realisable value

Net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimates costs of completion and estimated costs necessary to make the sale.

The total expense relating to inventory write downs to net realisable value for the year ended 30 June 2019 was $15.1 million (30 June 2018: $6.1 million).

15 Financial assets and financial liabilities

(a) Equity Investments at FVOCI

	30 June 2019 $'000	30 June 2018 $'000
Listed securities - Non-current		
Tribune Resources Ltd (i)	**60,505**	-
Emmerson Resources Ltd	**5,406**	4,128
Riversgold Ltd	**267**	1,375
Other	**7**	33
	66,185	5,536

(i) On 25 February 2019, the Group acquired 11.05 million shares, representing a 19.9% shareholding, in Tribune Resources Limited ("Tribune") for a cash consideration of $41.3 million.

Recognition and measurement

Equity Investments at FVOCI

The adoption of AASB 9 Financial Instruments from 1 July 2018 resulted in a change of classification for the Group's listed equity investments. Under the previous AASB 139 Financial Instruments, the investments were designated as Available For Sale (AFS) but under AASB 9 Financial Instruments the Group has made the sole option to irrevocably designate the listed equity investments as Fair value through other comprehensive income (FVOCI).

Subsequent changes in the fair value of equity investments are presented and accumulated in a separate reserve within equity and not through profit or loss. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. These equity instruments are not held for trading but rather intended to be held over the long-term as strategic investments and the group considers this classification to be more relevant.

16 Other non-current assets

	30 June 2019 $'000	30 June 2018 $'000
Non-current assets -Other		
Contingent consideration attributable to the Pajingo Operation	**2,400**	3,100
Contingent consideration attributable to the Edna May Operation	**34,441**	34,441
Other	**74**	91
Total other non-current assets	**36,915**	37,632

Recognition and measurement

Contingent consideration amounts classified as a financial asset are remeasured to fair value with changes in fair value recognised in profit or loss. No fair value gains or losses have been recognised in profit or loss during the year.

17 Provisions

	30 June 2019 $'000	30 June 2018 $'000
Current		
Employee entitlements	**29,957**	32,085
	29,957	32,085
Non-current		
Employee entitlements	**5,196**	2,935
Rehabilitation provision	**147,970**	146,988
Other long term provision	**210**	206
	153,376	150,129
Total provisions	**183,333**	182,214

17 Provisions (continued)

(i) Movements in provisions

Movements in each class of provision during the financial year are set out below:

	Employee benefits $'000	Rehabilitation $'000	Other $'000	Total $'000
30 June 2019				
Carrying amount at the beginning of the year	35,020	146,988	206	182,214
Charged to profit or loss				
- unwinding of discount	-	1,901	-	1,901
- provision recognised	-	(1,091)	-	(1,091)
Re-measurement of provision	133	172	4	309
Carrying amount at the end of the year	35,153	147,970	210	183,333
30 June 2018				
Carrying amount at the beginning of the year	35,471	149,372	203	185,046
Charged to profit or loss				
- unwinding of discount	-	3,544	-	3,544
- provision recognised	3,099	(944)	-	2,155
Re-measurement of provision	-	16,000	3	16,003
Disposal of subsidiary	(3,550)	(20,984)	-	(24,534)
Carrying amount at the end of the year	35,020	146,988	206	182,214

Employee benefits

The provision for employee benefits represent wages and salaries, annual leave and long service leave entitlements.

Rehabilitation

The nature of site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration, reclamation and revegetation of affected areas of the site in accordance with the requirements of the mining permits.

Recognition and measurement

Employee benefits

Annual leave liabilities are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave liabilities are measured at the present value of the estimated future cash outflows for the services provided by employees up to the reporting date.

Liabilities not expected to be settled within twelve months are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible to the related liability.

Rehabilitation

Site restoration costs are recorded at the present value of the estimated future costs of the legal and constructive obligation to rehabilitate locations.

When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying value of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the statement of profit or loss. The carrying amount is capitalised as part of mine development and amortised on a units of production basis.

Accounting estimates and judgements

Employee benefits

Management judgement is required in determining the future probability of employee departures and period of service used in the calculation of long service leave.

17 Provisions (continued)

Accounting estimates and judgements (continued)

Rehabilitation

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine sites. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plan and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

18 Deferred tax balances

(a) Recognised deferred tax balances

	30 June 2019 $'000	30 June 2018 $'000
Inventories	**31,836**	31,836
Exploration and evaluation expenditure	**(50,934)**	(32,710)
Property, plant and equipment	**(69,082)**	(13,849)
Mine development	**(24,431)**	(52,539)
Employee benefits	**10,609**	10,506
Provisions	**43,875**	44,158
Share issue costs	**114**	1,088
Other	**-**	(1,661)
Deferred tax balances from temporary differences	**(58,013)**	(13,171)
Tax losses carried forward	**4,194**	13,590
Deferred tax (liabilities)/assets	**(53,819)**	419

(b) Movement in deferred tax balances during the year

	Balance at 1 July 2018 $'000	Recognised in profit or loss $'000	Utilised to reduce tax liability $'000	Balance at 30 June 2019 $'000
Inventories	31,836	-	-	31,836
Exploration and evaluation expenditure	(32,710)	(18,224)	-	(50,934)
Property, plant and equipment	(13,849)	(55,233)	-	(69,082)
Mine development	(52,539)	28,108	-	(24,431)
Employee benefits	10,506	103	-	10,609
Provisions	44,158	(283)	-	43,875
Share issue costs	1,088	(974)	-	114
Tax losses carried forward	13,591	(944)	(8,453)	4,194
Other	(1,662)	1,662	-	-
Deferred tax assets/ (liabilities)	419	(45,785)	(8,453)	(53,819)

(c) Tax losses

The Group has unrecognised available tax losses of $33.4 million as at 30 June 2019. These tax losses have not been recognised due to the uncertainty of their recoverability in future periods.

Accounting estimates and judgements

Judgement is required to determine whether deferred tax assets are recognised in the Balance Sheet. Management must assess the likelihood that the Group will generate sufficient taxable earnings in future periods in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws. These assessments require the use of estimates such as commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the Group's ability to realise the deferred tax assets reporting could be impacted.

Risk and Unrecognised Items

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance as well as providing information on items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

19 Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out at a corporate level under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors approves written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, gold price risk and use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group holds the following financial instruments:

	30 June 2019 $'000	30 June 2018 $'000
Financial Assets		
Cash and cash equivalents	**335,164**	323,226
Trade and other receivables (i)	**38,633**	24,399
Equity investments at FVOCI	**66,185**	5,536
	439,982	353,161
Financial Liabilities		
Trade and other payables	**156,828**	152,367
Interest bearing liabilities	**293,433**	385,966
	450,261	538,333

(i) Excludes Ernest Henry accrued revenue.

(a) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group currently only designates derivatives as cash flow hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions). There are no fair value hedges or net investment hedges, nor are there any derivatives that do not classify for hedge accounting.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income through the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit or Loss within other income or other expense.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Profit or Loss in the periods when the hedged item affects profit or loss for instance when the forecast sale that is hedged takes place.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as depreciation in the case of fixed assets.

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group has no derivative financial instruments at 30 June 2019 (nil for 2018).

19 Financial risk management (continued)

(a) Derivatives (continued)

(b) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. Management has set up a policy to manage their foreign exchange risk against their functional currency and is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2019, the Group held US$0.2 million (30 June 2018: US$0.8 million) in US dollar currency bank accounts, outstanding receivables of US$3.8 million (30 June 2018: US$6.9 million) relating to the Mt Carlton operation and US$33.4 million (30 June 2018: US$34.7 million) relating to Ernest Henry. An increase/decrease in AUD:USD foreign exchange rates of 5% will result in an $8,191 (30 June 2018: $38,280) increase/decrease in US dollar currency bank account balances and a $1.9 million (30 June 2018: $2.1 million) increase/decrease in US dollar receivables.

(ii) Price risk

The Group is currently exposed to the risk of fluctuations in prevailing market commodity prices on the gold, silver and copper currently produced from its gold mines and market share prices on the equity investments. The Group has in place physical gold delivery contracts as at 30 June 2019 covering sales of 400,000 oz (30 June 2018: 250,000 oz) of gold at an average flat forward price of $1,838/oz (30 June 2018: $1,711/oz). The Group invested in Tribune Resources Limited in February 2019 and acquired 11,045,101 ordinary shares. An increase/decrease in market share prices on equity investments assets of 10% will result in a $6.6 million (30 June 2018: $0.6 million) increase/decrease in equity investments.

(iii) Cash flow and fair value interest rate risk

The Group’s interest rate risk arises from variable interest rates on interest bearing liabilities. As at 30 June 2019, the Group held interest bearing liabilities of $300.0 million (30 June 2018: $395.0 million) which incurs interest at a variable rate. An increase/decrease of variable interest rates of 0.25% will result in a $1.0 million (30 June 2018: 0.25%, $1.8 million) increase/decrease in interest expense relating to interest bearing liabilities.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investment securities. At the balance sheet date there were no significant concentrations of credit risk given customers and banks have investment grade credit ratings. The total trade and other receivables outstanding at 30 June 2019 was $38.6 million (30 June 2018: $24.4 million). Cash and cash equivalents at 30 June 2019 were $335.2 million (30 June 2018: 323.2 million).

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2019 $'000	30 June 2018 $'000
Bank loans - revolving credit facility		
Expiring beyond one year	**350,000**	350,000
	350,000	350,000

(ii) Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

19 Financial risk management (continued)

(d) Liquidity risk (continued)

(ii) Maturities of financial liabilities (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
At 30 June 2019						
Non-derivatives						
Trade and other payables	**156,828**	**-**	**-**	**-**	**156,828**	**156,828**
Bank loans	**118,865**	**114,770**	**80,496**	**-**	**314,131**	**300,000**
	275,693	**114,770**	**80,496**	**-**	**470,959**	**456,828**
At 30 June 2018						
Non-derivatives						
Trade and other payables	152,367	-	-	-	152,367	152,367
Bank loans	109,826	119,873	195,858	-	425,557	395,000
	262,193	119,873	195,858	-	577,924	547,367

(e) Risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group’s focus has been to raise sufficient funds through equity and debt capital markets to fund capital investment in working capital and exploration and evaluation activities.

The Group monitors its liquidity through analysis of regular cash flow forecasts.

(i) Loan covenants

The lenders have placed covenants over the Group's Senior Secured Revolving and Term Facility based on the current ratio, leverage ratio, debt service ratio and the tangible net worth ratio. The Group has complied with these covenants during the year.

20 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Group had contingent liabilities at 30 June 2019 in respect of:

(i) Claims

At the date of this report the Group was unaware of any material claims, actual or contemplated.

(ii) Guarantees

The Group has provided bank guarantees in favour of various government authorities and service providers with respect to site restoration, contractual obligations and premises at 30 June 2019. The total of these guarantees at 30 June 2019 was $136.3 million with various financial institutions (30 June 2018: $132.4 million).

21 Commitments

(a) Capital and lease commitments

(i) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform minimum exploration work to meet minimum expenditure requirements specified by various government authorities. These obligations are subject to renegotiation when application for a mining lease is made and at various other times. These obligations are not provided for in the financial report and are payable:

	30 June 2019 $'000	30 June 2018 $'000
Within one year	**16,438**	10,479
Later than one year but not later than five years	**30,925**	30,756
Later than five years	**35,922**	40,236
	83,285	81,471

(ii) Capital commitments

The Group has the following capital commitments in relation to capital projects and joint venture requirements at each of the sites.

	30 June 2019 $'000	30 June 2018 $'000
Within one year	**17,828**	17,619
	17,828	17,619

(iii) Non-cancellable operating leases

The Group leases mining equipment, office space and small items of office equipment under operating leases. The leases typically run for one month to five years with an option to renew at the expiry of the lease period. None of these leases include contingent rentals.

	30 June 2019 $'000	30 June 2018 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**22,389**	14,576
Later than one year but not later than five years	**14,782**	9,355
Later than five years	**-**	1,145
	37,171	25,076

21 Commitments (continued)

(b) Gold delivery commitments

	Gold for physical delivery oz	Average contracted sales price A$/oz	Value of committed sales $'000
As at 30 June 2019			
Within one year	**100,000**	**1,737**	**173,667**
Later than one year but not greater than five years	**300,000**	**1,871**	**561,363**
	400,000		**735,030**
As at 30 June 2018			
Within one year	150,000	1,694	254,037
Later than one year but not greater than five years	100,000	1,737	173,667
	250,000		427,704

The counterparties to the physical gold delivery contracts are Australia and New Zealand Banking Group Limited ("ANZ"), National Australia Bank Limited ("NAB"), Westpac Banking Corporation ("WBC"), Commonwealth Bank of Australia ("CBA"), Citibank N.A ("Citibank") and Societe Generale ("SG"). Contracts are settled on a quarterly basis by the physical delivery of gold per the banks instructions. The contracts are accounted for as sale contracts with revenue recognised once the gold has been delivered to ANZ, NAB, WBC, CBA, Citibank, SG or one of their agents. The physical gold delivery contracts are considered a contract to sell a non-financial item and is therefore out of the scope of AASB 9 *Financial Instruments*. As a result no derivatives are required to be recognised. The Company has no other gold sale commitments with respect to its current operations.

22 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or state of affairs of the Group or economic entity in subsequent financial years.

Other Disclosures

This section covers additional financial information and mandatory disclosures.

23 Ernest Henry Operation

(a) Description

On 24 August 2016, the Group announced that through a wholly owned subsidiary, it had entered into a transaction with Glencore plc to acquire an economic interest in the Ernest Henry Copper-Gold Operation for an up-front payment of $880 million. This $880 million up-front payment is recognised as a mine development asset. The Group also announced the entry into a strategic alliance with Glencore plc in respect of potential future regional acquisitions and the commitment the parties made to cooperate on exploration activities in the region surrounding Ernest Henry. The transaction was completed on 1 November 2016.

Under the agreement, the Group has a right to the production output when produced in relation to 100% of future gold and 30% of future copper and silver from the agreed life of mine area. Copper and silver sales revenue are recognised in the same month as their production is reported as the production is in control of the customer (Glencore). Gold sales and gold revenues are recognised when the metal is received and sold by Evolution. In addition to the up-front payment, the Group must also contribute 30% of future production costs in respect of the life of mine area.

The Group has agreed to an ongoing obligation to pay an amount equal to 49% of development and production costs in return for 49% of future copper, gold and silver production from new reserves extending beyond the mine life at acquisition date.

(b) Financial performance and position

The below information presents the financial performance and balance sheet information of the Ernest Henry operation included in the Consolidated Financial Statements.

	30 June 2019 $'000	30 June 2018 $'000
Revenue (note 2)	**351,426**	347,403
Cost of sales (excluding amortisation)	**(119,806)**	(116,427)
Amortisation	**(129,903)**	(125,669)
Profit before income tax	**101,717**	105,307

The carrying amounts of assets and liabilities as at the period end were:

	30 June 2019 $'000	30 June 2018 $'000
Assets		
Accrued Revenue	**47,574**	46,897
Inventories	**27,997**	26,145
Mine Development	**574,937**	696,548
Total assets	**650,508**	769,590
Liabilities		
Trade and other payables	**32,155**	29,157
Total liabilities	**32,155**	29,157
Net assets	**618,353**	740,433

24 Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is Evolution Mining Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 28.

(c) Key management personnel compensation

	30 June 2019 $	30 June 2018 $
Short-term employee benefits	**6,725,174**	7,888,131
Post-employment benefits	**187,292**	168,858
Share-based payments	**5,396,616**	4,646,895
	12,309,082	12,703,884

Detailed remuneration disclosures are provided in the remuneration report on pages 19 to 32.

(d) Transactions with other related parties

Directors fees in the amount of $115,000 were paid to International Mining and Finance Corp, a company of which Mr James Askew is a Director for services provided during the period (30 June 2018:$115,000).

Directors fees in the amount of $300,000 were paid to DAK Corporation Pty Ltd, a company of which Mr Jacob Klein is a Director for services provided during the period (30 June 2018: $300,000).

Directors fees in the amount of $126,250 were paid to Lazy 7 Pty Ltd, a company of which Mr Colin Johnstone is a Director for services provided during the period (30 June 2018: $135,000).

Directors fees in the amount of $7,917 were paid to Mr Naguib Sawiris as a Director for services provided during the period (30 June 2018: $95,000).

Directors fees in the amount of $8,750 were paid to Mr Sebastien de Montessus as a Director for services provided during the period (30 June 2018: $105,000).

25 Share-based payments

(a) Types of share based payment plans

The Group has two Option and Performance Rights plans in existence:

(1) Employee Share Option and Performance Rights Plan (ESOP)

The ESOP was established and approved at the Annual General Meeting on 23 November 2010, and amended on 19 October 2011. Shareholder approval was refreshed at the Annual General Meeting on 26 November 2014 and again on 23 November 2017 and permits the Company, at the discretion of the Directors, to grant both Options and Performance Rights over unissued ordinary shares of the Company to eligible Directors and members of staff as specified in the plan rules.

(2) Non-Executive Director Equity Plan (NEDEP)

The NEDEP was established and approved at the Annual General Meeting on 24 November 2016. The plan permits the Company, at the discretion of the Directors, to grant NED Share Rights as part of their remuneration.

(b) Recognised share based payment expenses

	30 June 2019 $'000	30 June 2018 $'000
Expense arising from equity settled share based payment transactions recognised in profit and loss	**10,884**	8,491

(c) Summary and movement of NED Share Rights on issue

The following table illustrates the number and movements in, Share Rights issued during the year.

25 Share-based payments (continued)

(c) Summary and movement of NED Share Rights on issue (continued)

	2019 Number	2018 Number
Outstanding balance at the beginning of the year	116,879	97,788
Share Rights granted	57,235	116,879
Vested	(106,541)	(97,788)
Lapsed	(10,338)	-
Forfeited	-	-
Outstanding balance at the end of the year	**57,235**	**116,879**

There were 57,235 Share Rights granted during the 2019 financial year. Provided the NEDs remain directors of Evolution, Share Rights will vest and automatically exercise 12 months after the grant date of 23 November 2018 with disposal restrictions attached to these shares.

(d) Fair value determination

During the year, the Company issued two allotments of performance rights that will vest on 30 June 2021. They have four performance components being a Total Shareholder Return ("TSR") condition, an absolute TSR condition, a Growth in Earnings per share ("EPS") condition and a Growth in Ore Reserves condition.

(i) TSR Performance Right Valuation

The fair value of the TSR Performance Rights (market-based condition) was estimated at the date of grant using Monte Carlo simulation, taking into account the terms and conditions upon which the awards were granted.

(ii) Absolute TSR Performance Right Valuation

The Absolute TSR Performance Right Valuation will be measured as the cumulative annual TSR over the three year period ending 30 June 2021.

(iii) Growth in Earnings per Share

The growth in Earnings per Share is measured as the cumulative annual growth rate in EPS, excluding non recurring items over the three year period ending 30 June 2021.

(iv) Growth in Ore Reserves per Share

The growth in Ore Reserves per share is measured by comparing the Baseline measure of the Ore Reserves as at 31 December 2017, to the Ore Reserves as at 31 December 2020 on a per share basis, with testing to be performed at 30 June 2021.

The following tables list the inputs to the models used for the Performance Rights granted for the period:

	TSR	Absolute TSR	Growth in EPS	Growth in Ore Reserves
September 2018 Performance Rights issue				
Number of rights issued	1,368,520	1,368,520	1,368,520	1,368,468
Spot price ($)	2.74	2.74	2.74	2.74
Risk-free rate (%)	2.01	2.01	2.01	2.01
Term (years)	2.8	2.8	2.8	2.8
Volatility (%)	45	45	45	45
Fair value at grant date ($)	1.52	0.93	2.57	2.57
February 2019 Performance Rights issue				
Number of rights issued	56,475	56,475	56,475	56,480
Spot price ($)	3.8	3.8	3.8	3.8
Risk-free rate (%)	1.73	1.73	1.73	1.73
Term (years)	2.4	2.4	2.4	2.4
Volatility (%)	42	42	42	42
Fair value at grant date ($)	2.09	1.74	3.61	3.61

The volatility above was determined with reference to historical volatility but also incorporates factors that management believes will impact the actual volatility of the Company's shares in future periods.

Recognition and measurement

The Group provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Vesting conditions that are linked to the price of shares of the Company (market conditions) are taken into account when determining the fair value of equity settled transactions. Other vesting conditions such as service conditions are excluded from the measurement of fair value but are considered in estimating the number of investments that may ultimately vest.

25 Share-based payments (continued)

Recognition and measurement (continued)

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled ("the vesting period").

The charge to the Statement of Profit or Loss for the period is the cumulative amount as calculated above less the amounts already recognised in previous periods. There is a corresponding entry to equity.

Accounting estimates and judgements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external specialist using an option pricing model, based off the assumptions detailed above.

26 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) PricewaterhouseCoopers

	2019 $	2018 $
Audit and other assurance services		
Audit and review of financial statements	**492,854**	510,920
Due dilligence services	**200,000**	-
Total remuneration for audit and other services	**692,854**	510,920
Taxation services		
Tax compliance services	**116,600**	-
Tax advisory services	**-**	8,670
Total remuneration for taxation services	**116,600**	8,670
Total remuneration of PricewaterhouseCoopers	**809,454**	519,590

(b) Non-PricewaterhouseCoopers related audit firms

	2019 $	2018 $
Audit and other assurance services		
Other assurance services		
Internal audit services	**205,029**	168,971
Other assurance services	**56,244**	259,965
Total remuneration for audit and other assurance services	**261,273**	428,936
Taxation services		
Tax compliance services	**68,523**	397,215
Tax advisory services	**538,213**	254,242
Total remuneration for taxation services	**606,736**	651,457
Total remuneration of non-PricewaterhouseCoopers audit firms	**868,009**	1,080,393

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

27 Deed of cross guarantee

Evolution Mining Limited and those entities identified in note 28 are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The companies identified above represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Evolution Mining Limited, they also represent the 'extended closed group'.

The Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and summary of movements in consolidated retained earnings for the year ended 30 June 2019 of the closed group is equal to the Consolidated Balance Sheet, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Changes in Equity of the Group.

28 Interests in other entities

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described below:

Name of entity	Country of incorporation	Class of shares	Equity holding 2019 %	Equity holding 2018 %
Evolution Mining Management Services Pty Ltd	Australia	Ordinary	**100**	100
Conquest Mining Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Mt Rawdon Operations Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Westonia Mines Minerals Pty Ltd (i) (iii)	Australia	Ordinary	**100**	100
Lion Selection Pty Ltd (i) (iii)	Australia	Ordinary	**100**	100
Auselect Pty Ltd (i) (iii)	Australia	Ordinary	**100**	100
Lion Mining Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Sedgold Pty Ltd (i) (iii)	Australia	Ordinary	**100**	100
Fernyside Pty Ltd (i) (iii)	Australia	Ordinary	**100**	100
Evolution Tennant Creek Pty Ltd (ii)	Australia	Ordinary	**100**	100
Evolution Mining NZ Pty Ltd (ii)	Australia	Ordinary	**100**	100
Evolution Mining (Cowal) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Evolution Mining Mungari Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Toledo Holding (Ausco) Pty Ltd (i)	Australia	Ordinary	**100**	100
Evolution Mining (Mungari East) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Evolution Mining (Phoenix) Pty Limited (i) (ii)	Australia	Ordinary	**100**	100
Hayes Mining Pty Ltd (i)	Australia	Ordinary	**100**	100
Evolution Mining (Aurum 2) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Evolution Mining (Connors Arc) Pty Ltd (i) (ii)	Australia	Ordinary	**100**	100
Evolution Mining (Canada Holdings) Ltd (ii)	Canada	Ordinary	**100**	100
Evolution Mining Management Services (Canada) Ltd (ii)	Canada	Ordinary	**100**	100

(i) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 27.

(ii) These entities are considered to be the material controlled entities of the Group. Their principal activities are identifying, developing and operating gold related projects.

(iii) On 3 July 2019, the following entities were deregistered:

- Auselect Pty Ltd (ACN 077 885 208)
- Sedgold Pty Ltd (ACN 010 077 988)
- Lion Selection Pty Ltd (ACN 123 217 112)
- Fernyside Pty Limited (ACN 001 245 530)
- Westonia Mines Minerals Pty Ltd (ACN 059 349 094)

Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

29 Parent entity financial information

The financial information for the parent entity, Evolution Mining Limited has been prepared on the same basis as the consolidated financial statements.

(b) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2019 $'000	30 June 2018 $'000
Balance sheet		
Assets		
Current assets	**331,341**	316,591
Non-current assets	**1,982,504**	2,065,188
Total assets	**2,313,845**	2,381,779
Liabilities		
Current liabilities	**121,444**	158,438
Non-current liabilities	**261,497**	294,284
Total liabilities	**382,941**	452,722
Net assets	**1,930,904**	1,929,057
Shareholders' equity		
Issued capital	**2,183,727**	2,183,727
Reserves		
Fair Value revaluation reserve	**20,003**	1,131
Share based payment reserve	**53,796**	45,566
Accumulated losses	**(326,622)**	(301,367)
Total equity	**1,930,904**	1,929,057
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	**101,824**	126,882
Other comprehensive expense	**-**	-
Total comprehensive expense	**101,824**	126,882

(c) Guarantees entered into by the parent entity

The parent entity has provided bank guarantees, as detailed in note 20.

(d) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018. For information about guarantees given by the parent entity, please see above.

30 Summary of significant accounting policies

(a) Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report also complies with the International Financial Reporting Standards (IFRS) including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale assets which have been measured at fair value.

The financial report has been presented in Australian (AU) dollars and all values are rounded to the nearest AU$1,000 (AU$'000) unless otherwise stated.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year except for changes arising from adoption of new accounting standards which have been seperately disclosed.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the parent entity, Evolution Mining Limited, and its controlled entities (referred to as 'the Consolidated Entity' or 'the Group' in these financial statements). A list of significant controlled entities (subsidiaries) is presented in note 28.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of more of the three elements of control. Specifically the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its control over the investee to affect its returns.

Non- controlling interests in the results and equity of the entities that are controlled by the Group is shown separately in the Statement of Profit or Loss or Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity respectively.

(c) Foreign currency translation

(i) Functional and presentation currency

The presentation currency of the Group is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. The subsequent payment or receipt of funds related to a transaction is translated at the rate applicable on the date of payment or receipt. Monetary assets and liabilities are denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial statements are taken to the Statement of Other Comprehensive Income and accumulated in a reserve.

(iii) Translation

The assets and liabilities of subsidiaries with functional currency other than Australian dollars (being the presentation currency of the Group) are translated into Australian dollars at the exchange rate at the reporting date and the Statement of Profit or Loss is translated at the average exchange rate for the period. On consolidation, exchange differences arising from the translation of these subsidiaries are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

(d) Intangible assets

(i) Mining tenements, mining rights and mining information

Mining tenements have a finite useful life and are carried at cost less, where applicable, any accumulated amortisation and accumulated impairment losses. The carrying values of mining tenements and mining rights are reviewed to ensure they are not in excess of their recoverable amounts. Amortisation of mining tenements and mining rights commences from the date when commercial production commences or in the case of the acquisitions, from the date of acquisition and is charged to the profit or loss. Mining tenements are amortised over the life of the mine using units of production basis in ounces.

30 Summary of significant accounting policies (continued)

(d) Intangible assets (continued)

(i) Mining tenements, mining rights and mining information

Mining information has a finite useful life and is carried at cost less accumulated amortisation. Mining information amortisation is recognised over the period that the information is expected to remain relevant.

The amortisation of the above intangibles is classified as a cost of sale.

31 New accounting standards

The accounting policies applied by the Group in the consolidated financial statements have been consistently applied with those applied in the prior year except for the application AASB 9 and 15 as described below. The Group has adopted all of the new, revised or amending standards that are mandatory. The Group has for the first time applied AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers with effect from 1 July 2018.

Please refer to note 2 in relation to the impact of adopting AASB 15 Revenue from Contracts with Customers.

AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The financial assets held by the group are detailed as follows:
• Equity investments at Fair Value through Other Comprehensive Income (FVOCI);
• Cash and cash equivalents (including current accounts and short-term term deposits);
• Trade receivables currently held at cost, to be measured at amortised cost under the classification conditions for AASB 9.

The adoption of AASB 9 resulted in a change of classification for the Group's listed equity investments at FVOCI. Please refer to note 15 for further details.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. There are no expected lifetime ECLs based on zero historical customer default. Therefore, there is no impact on transition to IFRS 9 for trade receivables.

There will be no impact on the group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The new hedge accounting rules under AASB 9 have no impact as the group is not currently hedge accounting.

In accordance with the transition provisions in AASB 9, comparative figures have not been restated.

31 New accounting standards (continued)

AASB 16 Leases is not mandatory for the 30 June 2019 reporting period and have not been early adopted by the Group. AASB 16 leases will be adopted from 1 July 2019. The Group's assessment of the impact is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 16 *Leases*	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.	The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $37.2 million, see note 21. To date, the group has focussed on the provisions of the standard that will most impact the financial results. Below is a summary of the work performed and the assessed impact of the new standard: • Data gathering: Site and group data has been collated related to contracts that may contain a lease. • Data integrity and analysis: a number of the identified contracts are covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. • Modelling of transition options: Review of the transition options indicates that there is not a material difference to the group between the three transition methodologies. Accordingly, the group intends to apply the modified retrospective transition approach. • Financial reporting: Preliminary review results indicate that under the requirements of AASB 16, a lease asset and liability would be recorded on balance sheet of approximately $33.7 and $35.8 million respectively if the standard applied at 30 June 2019. The Group will implement the new standard with an effective date of 1 July 2019.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The group intends to apply the modified retrospective transition approach and will not restate comparative amounts for the year prior to first adoption.

Evolution Mining Limited
Directors' Declaration
30 June 2019

In the Directors' opinion:

(a) the financial statements and notes set out on pages 36 to 73 are in accordance with the *Corporations Act 2001*, including:
    (i) complying with Accounting Standard, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
    (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 27.

Note 30(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Jacob (Jake) Klein
Executive Chairman

Andrea Hall
Chair of the Audit Committee

Sydney

Independent auditor's report

To the members of Evolution Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Evolution Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended

complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2019
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

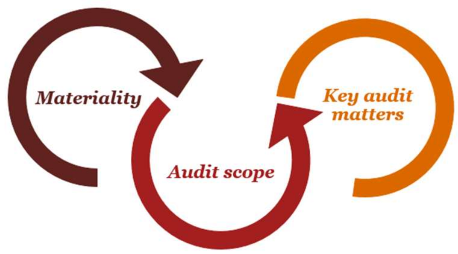
PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	***Audit scope***	***Key audit matters***
• For the purpose of our audit we used overall Group materiality of $18.4 million, which represents approximately 2.5% of the Group's earnings before interest, tax, depreciation and amortisation (EBITDA). • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose EBITDA because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utlised a 2.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • Our audit procedures were predominantly performed at the Group's corporate office in Sydney. We also conducted a site visit to the Cowal mine site.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: – Implementation of new revenue accounting policy – Assessment of the carrying value of assets. • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Implementation of new revenue accounting policy *(Refer to note 2)* The Group adopted a new revenue accounting policy during the year due to the mandatory introduction of AASB 15 Revenue for Contracts with Customers. The new policy is disclosed in Note 2. The adoption of a new revenue accounting policy was a key audit matter due to the: • significance of revenue to understanding the financial results for users of the financial report • complexity involved in applying the new AASB 15 requirements given the bespoke nature of terms and conditions in contracts with customers • judgements required by the Group in applying the new AASB 15 requirements, such as whether contracts contain multiple performance obligations which should be accounted for separately and when to recognise revenue based on when 'control' transfers to a customer • judgement required by the Group as to when gold, silver and copper revenue should be recognised from the Ernest Henry Mine as this required an assessment of the contractual terms and arrangements in light of the requirements of the new AASB 15 standard.	We performed the following procedures, amongst others: • Developed an understanding of and evaluated the operating effectiveness of relevant key revenue internal controls • Assessed the adequacy of the methodology used by the Group for determining the extent of contract reviews required to identify AASB 15 impact • Assessed whether the Group's new accounting policies were in accordance with the requirements of AASB 15 through consideration of accounting papers on key areas of judgement prepared by the Group. • For all contracts with customers we: ○ Developed an understanding of the key terms of the arrangement including parties, term dates, background of agreement, performance obligations and payments to be made ○ Considered the Group's identification of performance obligations and allocation of selling prices to the performance obligations by reading the contracts with customers and inspecting sales invoices issued in fulfilling these contracts • We also evaluated the adequacy of the disclosures made in note 2 in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Assessment of the carrying value of assets *(Refer to notes 7 and 8)* At 30 June 2019, the Group held mine development and exploration assets of $1,672 million and property, plant and equipment of $557 million. In line with the requirements of AASB 136, the Group has assessed whether there is an indication that an asset may be impaired. This assessment considered performance against budget, adverse changes in the business or regulatory environment and changes to other key assumptions that affect cash flows and discount rates. The Group identified no indicators of impairment for any Cash Generating Unit ("CGU"). AASB 136 also requires an assessment at each reporting date whether there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the Group shall determine whether all or part of the prior impairment loss need to be reversed. The Group previously recognised impairment losses of $148.6 million relating to the carrying value of Mt Carlton's non-current assets in 2013 as a result of the fall in the gold price combined with a compression of valuations in the gold industry. The Group performed an assessment of whether to reverse the previously recognised impairment losses related to Mt Carlton up to the carrying amount that would have been determined (net of amortisation) had no impairment loss been recognised. The assessment focused on changes in macro-economic factors, operating and financial performance for the period, and updates to mine plans. The Group anticipates continued strong performance at Mt Carlton which, together with the wider recovery of some gold prices, provides evidence that conditions leading to its past impairment may no longer be present. This is an indicator that the mine assets should be considered for reversal of impairment. The assessment of the carrying values of assets was a key audit matter due to the significant judgement involved in the determination as to whether or not an impairment charge or reversal relating to an asset or CGU is required.	We evaluated the Group's assessment of indicators of impairment or reversal of impairment and its conclusion not to recognise an impairment or impairment reversal. In particular, we assessed the appropriateness of the impairment assessment that no internal or external indicators of impairment exist by evaluating the current year financial performance of each CGU and the budget and forecast as well as evaluating external market data. In regards to the impairment reversal for Mt Carlton, we performed the following: • compared the current year US$ gold prices to the US$ gold prices when the impairment occurred • compared current gold price forecasts to gold price forecasts when the impairment occurred • considered the Group's calculations of recoverable amount, including sensitivities of key assumptions, and compared them to the carrying value of the Mt Carlton assets. We also evaluated the adequacy of the disclosures made in the note 8 in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 19 to 32 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Evolution Mining Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Marc Upcroft
Partner

Sydney
15 August 2019